

County of Loudoun, Virginia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2003



COUNTY OF LOUDOUN, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended

June 30, 2003

Prepared by:

Department of Financial Services
Division of Finance and Accounting

COUNTY OF LOUDOUN, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

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Loudoun County, Virginia

www.loudoun.gov

Office of the County Administrator

1 Harrison Street, S.E., 5th Floor, P.O. Box 7000, Leesburg, VA 20177-7000

Telephone (703) 777-0200 • Fax (703) 777-0325

December 11, 2003

The Honorable Members of the Board of Supervisors
County of Loudoun, Virginia
1 Harrison Street, S.E., P.O. Box 7000
Leesburg, Virginia 20177-7000

Dear Mr. Chairman and Members of the Board:

I am pleased to present the County's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2003.

This report, prepared by the Department of Financial Services, identifies the County's financial position and marks the County's financial activities over the past fiscal year. We believe the data contained in the report are accurate in all material aspects. The required disclosure statements are also set forth.

The Comprehensive Annual Financial Report marks the County's continued adherence to and refinement of the guidelines and goals set forth in the Board of Supervisors' Fiscal Policy. The purpose of the Fiscal Policy is to set forth those policies of the Board that establish guidelines for the fiscal stability of the County and establish guidelines for the County Administrator in insuring that fiscal stability. An effective Fiscal Policy (1) contributes significantly to the County's ability to insulate itself from fiscal crisis, (2) enhances short-term and long term financial credit ability by helping to achieve the highest credit and bond ratings possible, (3) promotes long-term financial stability by establishing clear and consistent guidelines, (4) directs attention to the total financial picture of the County rather than single issue areas, (5) promotes the view of linking long term financial planning with day-to-day operations, and (6) provides a framework for measuring the impact of government services against established fiscal parameters and guidelines. The summarized progress as reported in the Comprehensive Annual Financial Report has become an indicator of the relative success of these policies. During fiscal year 2002, all three major credit rating agencies affirmed Loudoun's high investment grade general obligation bond rating.

The County concluded fiscal year 2003 in a moderately sound financial condition. In addition, the County initiated or continued a number of management initiatives designed to effectively manage the changes that continued growth has brought to Loudoun.

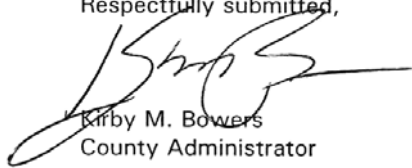
The County, through the budgeting process, funded a series of long-range strategic objectives that establishes a base for providing services for our anticipated population. These objectives significantly impacted service planning, land use planning and general management.

It will take planning and commitment to meet the challenge of efficiently providing needed services for the current population while developing the necessary infrastructure for the future and the tax base and resources to pay for that infrastructure. The County population is estimated to be 211,146 in 2003. According to a recent report issued by the County's Fiscal Impact Technical Review Committee, between now and 2010 Loudoun will experience the highest percentage growth in population and jobs for the entire Washington Metropolitan Area. By 2010, Loudoun's population is expected to be approximately 304,200.

In managing our available resources, we must strike a balance between the demands for additional services and the ability to pay for those services. The increasing rate of growth has increased the need for growth management and has, concurrently, modestly increased the resources available for program allocation. Financial management continues to be of paramount importance in this and future fiscal years.

The County's financial health is reflected in the moderate soundness of its current financial condition, and it is anticipated that current financial management practices will continue Loudoun's tradition of fiscal stability. The Board's emphasis on fiscal planning, budget development, and sound financial management contributes to the present sound financial condition of the County and sets the parameters and tasks for next year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kirby M. Bowers', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kirby M. Bowers
County Administrator



Loudoun County, Virginia

www.co.loudoun.va.us

Department of Financial Services

1 Harrison Street, S.E., 4th Floor, P.O. Box 7000, Leesburg, VA 20177-7000

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December 11, 2003

County Administrator and
Honorable Members of the Board of Supervisors
County of Loudoun, Virginia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the County of Loudoun, Virginia, for the fiscal year ended June 30, 2003, was prepared by the County's Department of Financial Services, Comptroller's Office, in accordance with Sections 15.2-2510 and 15.2-2511 of the Code of Virginia. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. We believe that the data as presented are accurate in all material respects, that they are presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of our various funds, and that all disclosures necessary to enable the reader to understand the County's financial activity have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Compliance and Statistical. The **Introductory Section** is intended to acquaint the reader with the organizational structure of the County and the nature and scope of the services provided to County residents and others and includes this transmittal letter, the County's organizational chart and a list of principal officials. The **Financial Section** provides an overview of the financial position and results of operations of the County as a whole, and includes management's discussion and analysis, government-wide financial statements, fund financial statements, combining financial statements, a budgetary comparison schedule, pension schedules, as well as the report of the independent auditors on the financial statements and schedules. The **Statistical Section** is designed to reflect social and economic data, financial trends and the fiscal capacity of the County and includes selected financial and demographic information, generally presented on a multi-year basis.

The County is required to undergo an annual compliance or "single" audit in conformity with the provisions of the revised Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditors' reports on internal controls and compliance with applicable laws and regulations, is included in a separate report.

The County provides a full range of municipal services authorized by the Code of Virginia and by the Board of Supervisors. These services include public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections); health and welfare (health, mental health and mental retardation, and social services); education (elementary, secondary, and community college support); parks, recreation and culture (including libraries and museums); community development (planning, zoning, housing, environmental management, and cooperative extension); public works (sanitation and waste removal, water and sewer, and maintenance); and general government administration (legislative, general and financial, elections, and judicial). A summary of the financial highlights of these operations for the fiscal year ended June 30, 2003 in the County's various funds is presented in the following sections of this letter. In addition to General Government activities, the Board of Supervisors exercises, or has the ability to exercise, budgetary control over the County's School System; therefore, elementary and secondary education activities are included within the reporting entity as a discretely presented component unit.

Local Economic Condition and Outlook

The citizens of Loudoun are proud of their County, one that combines financial strength and stability with planned progress and a high standard of living or "quality of life." The County, even though it is the second fastest growing County in the nation, continues to provide quality service to its residents as well as continues to plan for Loudoun's future livability, while minimizing budgetary increases and tax burdens.

The County concluded fiscal year 2003 in a moderately sound financial condition with minimal fiscal stress. The region's favorable economic conditions and the prospect of these conditions continuing has produced a rate of growth for the County greater than has been experienced over recent years. Our planned growth will, in the short term, impact the amount of resources available for allocation to the many programs required by an urbanizing community. The potential for continued long-term growth is excellent, however, commercial construction will not be nearly as robust as recently experienced.

Fiscal year 2003 saw the continued growth of both the residential and commercial/industrial real estate markets. Among the goals and strategies of the Loudoun County Economic Development Plan and Growth Strategy, adopted by the Board of Supervisors in January 1994, is the attraction of new businesses and the enhancement of the business environment to encourage the expansion of existing businesses. Meeting this goal is evidenced by the continuing increase in commercial property values. Many businesses continue to expand existing operations and new businesses are constantly attracted to the County. To ensure that each class of property is paying only its fair and equitable share of the tax burden, the County continues to reappraise its real property tax base annually.

Education continues to be a priority program within the County's operations, and the benefits are demonstrated in testing results of County students. The County School System has a very favorable teacher/pupil ratio and has obtained recognition for excellence in education.

The County faces the challenges of growth and development with confidence, based on a proven financial track record. The County's successes are shared accomplishments combining skill, experience and dedication of elected officials, appointed officials, County employees, and citizens. Faced with changing resources, especially in Federal spending, taxation, and State assistance, the County must continue to plan and manage these resources carefully. The County must continuously define its role in the community to respond to changing times. We will continually fine tune our processes to deliver services to ensure our citizens that we take every possible step to provide the services they want at the least possible cost. Always working with integrity, we seek to lead in the innovative expansion of the professional disciplines in which we serve.

Financial Information

Internal Control - Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control - In addition to internal controls, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual Fiscal Plan and Appropriations Resolution and adopted in the Budget by the County's Board of Supervisors. Activities of the General Fund, Special Revenue Funds, and Debt Service Fund are included in the annual Appropriations Resolution and adopted Fiscal Plan. Project-length budgets are adopted for the Capital Projects Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. However, management control is maintained at the character level within each organizational unit. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end; however, they generally are reappropriated as part of the following year's budget.

Cash Management - Under the pooled cash concept, the County has greater investment flexibility and normally recognizes a higher rate of return. The County's operating and payroll accounts are maintained as true zero balance accounts so that all excess funds are invested overnight in repurchase agreements. The overnight repurchase agreements are collateralized by U.S. Government and U.S. Agency securities. Idle funds available for longer periods of time are invested in Certificates of Deposit (CDs), the State-maintained Local Government Investment Pool, the State-maintained State Non-Arbitrage Pool, and Money Market accounts.

CDs are awarded via competitive bid among Virginia banks. All Virginia banks are required to collateralize deposits of public funds, and report monthly, both deposits and collateral held, to the Commonwealth's Department of Treasury.

The average yield on County investments during fiscal year 2003 was 1.74%. The total amount of interest earned on County investments was \$5,286,052. This compares to 3.52% and \$9,073,061 for fiscal year 2002.

Risk Management - The County's automobile and general liability protection are administered within the Virginia Municipal Liability Pool. Both agreements have a \$2 million per occurrence limit. The General Liability protection has a \$2 million aggregate limit. Both policies have a \$100,000 per occurrence retention. Member jurisdictions contribute to the pool based on their size and past claims experience. Likewise, the County is pool insured for law-enforcement liability and public officials liability risks. These programs are administered within the State Law Enforcement Liability Self-Insurance Plan and the State Public Officials Self-Insurance Plan, respectively. These programs have a \$2 million per occurrence limit, and protect the County Sheriff's Department and other County enforcement agencies, and all elected and appointed public officials and employees.

Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the County's previous commercial insurance programs. This excess coverage, in combination with the County's \$2 million primary coverages, brings all liability programs up to a limit of \$10 million per occurrence. The County received and has maintained a Certificate as a Qualified Self-Insurer from the Virginia State Industrial Commission. The County self-insures Primary Government and Component Unit-Schools workers' compensation and employers' liability, the specified benefits of which are statutory. The County maintains excess insurance from the Employers Reinsurance Corporation limiting individual claims against the self-insurance program to \$400,000.

The Primary Government and the Component Unit-Schools retain Landin, Inc., third-party administrator, to adjust workers' compensation claims, provide underwriting services, recommend reserve levels, and to provide safety and loss control services. All other lines of property and casualty insurance either have been or are expected to be renewed as they become due.

The County self-insures health insurance for all eligible employees and all retirees with 20 years of service or who qualify for disability. The County purchases specific and aggregate stop loss insurance from Mid Atlantic Medical Services, Inc. (MAMSI) Life and Health Insurance Company limiting claims against the self-insurance program to \$80,000 per occurrence for individual claims and 125% of aggregate stop loss for aggregate claims. A reserve for pending claims and insured but not reported claims of \$7,140,493 has been accrued as a liability within the self-insurance fund based upon estimates from the County's health insurance claims administrator and workers' compensation claims administrator.

The County Primary Government and Component Unit-Schools retains MAMSI, a third party administrator, to adjust health insurance claims, provide underwriting services, recommend reserve levels, including claims reported but not settled. Claims not closed out at September 30, 1994, remain with the Trigon Blue Cross-Blue Shield of Virginia.

OTHER INFORMATION

Independent Audit - Virginia statutes require an annual audit by independent certified public accountants. The accounting firm of KPMG LLP was selected by the County's Board of Supervisors to perform the annual financial and compliance audit. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the revised Federal Single Audit Act of 1996 and related OMB Circular A-133. The auditors' report on the basic financial statements, required supplementary information and other supplementary information is included in the Financial Section of this Report. The auditors' reports related specifically to the single audit are included in a separate report.

Certificate of Achievement for Excellence - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Loudoun, Virginia, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and the applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Report continues to conform to the Certificate of Achievement Program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgments - The County continues to maintain a moderately strong financial position through responsible and progressive management of financial operations and through sound accounting and financial reporting practices. The current accounting and financial reporting standards represent significant enhancements and enable increased efficiency in governmental accounting, auditing and financial reporting. We continue to support the achievements in these areas by the Governmental Accounting Standards Board and the Government Finance Officers Association. These practices provide, in our opinion, a sound framework for a truly "comprehensive" annual financial report.

The timely preparation of this Comprehensive Annual Financial Report could not have been accomplished without the effort of the entire staff of this Department's Comptroller's Office. Special recognition goes to our Assistant Comptroller, Ronald C. Pennington, and to our Financial Analysts, Eileen Nguyen and Mark Withrow, for their technical expertise, review and dedicated services in the preparation of this Comprehensive Annual Financial Report.

Their continued and diligent efforts towards upgrading the County's Financial Accounting and Management Information System, Fixed Asset Accounting and Control System, and many other ancillary financial systems, have lead substantially to the improved quality of financial information being reported to management, the County Administrator, the Board of Supervisors and the citizens of the County.

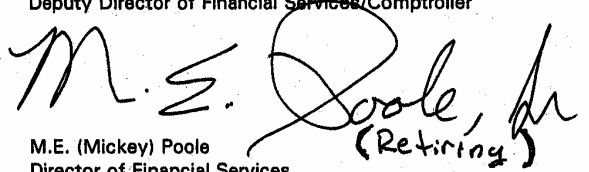
County Administrator and
Honorable Members of the Board of Supervisors
Page Four

We would also like to express our appreciation to all other members of the Department of Financial Services, to our independent auditors and to all County agencies who assisted and contributed to the preparation of this Report. We would also like to thank the members of the Board of Supervisors and the County Administrator for their interest and continued support in planning and implementing efficient yet effective financial operations of the County. This support and cooperation represents responsible and progressive financial management for the County. We will strive to maintain the direction the Board requires to maintain an equitable balance between available resources and the demand for high quality services.

Respectfully submitted,



Paul N. Arnett
Deputy Director of Financial Services/Comptroller


(Retiring)

M.E. (Mickey) Poole
Director of Financial Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Loudoun,
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

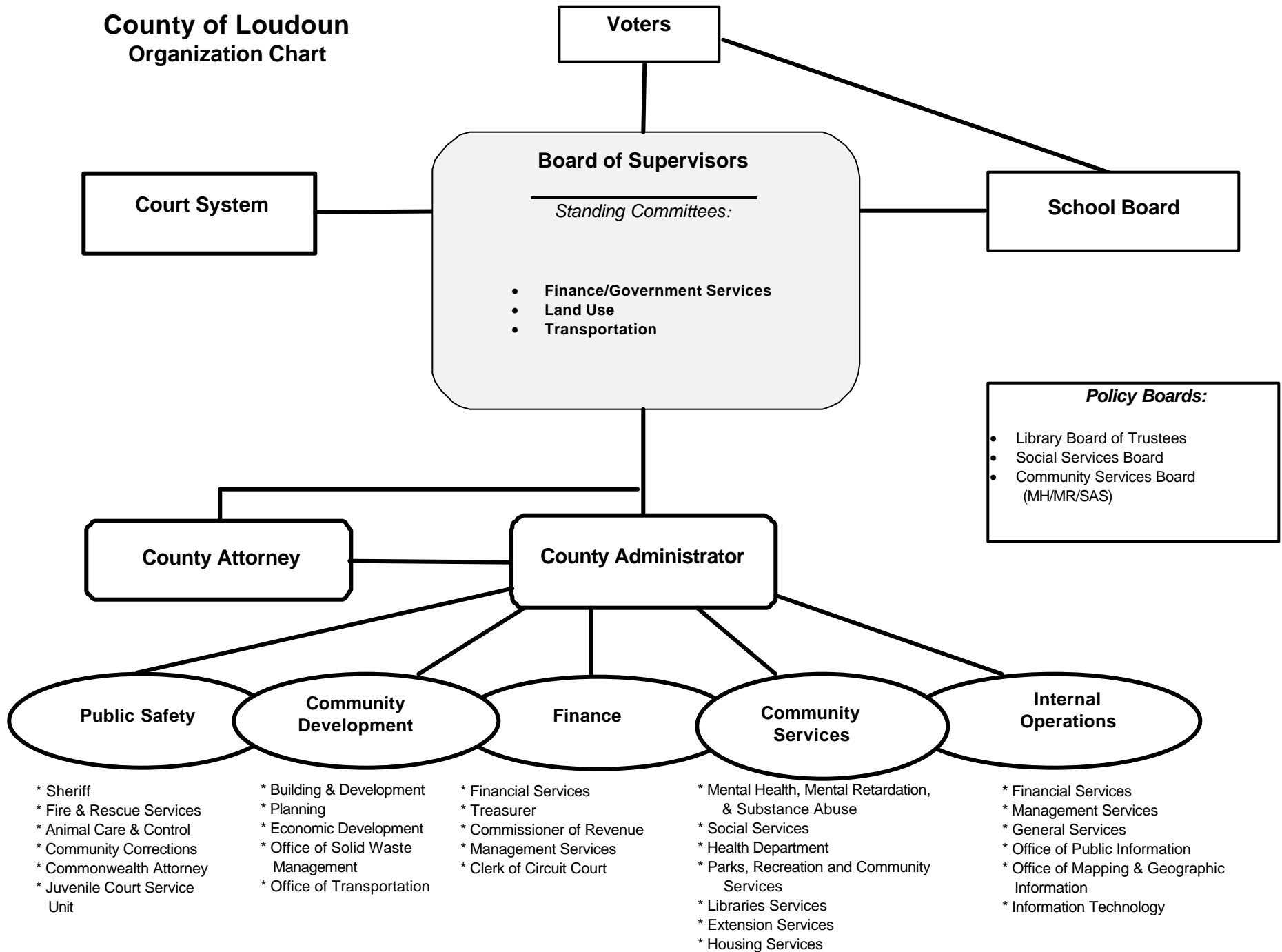
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

County of Loudoun Organization Chart



COUNTY OF LOUDOUN, VIRGINIA
Directory of Officials
June 30, 2003

BOARD OF SUPERVISORS

Scott K. York, Chairman
Eleanore C. Towe, Vice Chairman
Charles A. Harris
Sally R. Kurtz
J. Drew Hiatt
Mark R. Herring
James G. Burton
Eugene A. Delgaudio
William D. Bogard

At Large
Blue Ridge District
Broad Run District
Catoclin District
Dulles District
Leesburg District
Mercer District
Sterling District
Sugarland Run District

SCHOOL BOARD

Joseph W. Vogric, Chairman
John A. Andrews, Vice Chairman
Thomas E. Reed
Geary M. Higgins
Harry F. Holsinger
Frederick F. Flemming
J. Warren Geurin
Candyce P. Cassell
Robert F. DuPree, Jr.

Dulles District
Broad Run District
At Large Member
Catoclin District
Blue Ridge District
Leesburg District
Sterling District
Sugarland Run District
New Dulles District

CONSTITUTIONAL OFFICERS

Catherine V. Ashby
Robert D. Anderson
Gary M. Clemens
Stephen O. Simpson
H. Roger Zurn, Jr.

Commissioner of Revenue
Commonwealth's Attorney
Clerk of Circuit Court
Sheriff
Treasurer

ADMINISTRATIVE OFFICERS - GENERAL GOVERNMENT

Kirby M. Bowers
John A. Wells
Linda A. Neri
Candice L. deButts
Robert P. Griffin
John R. Roberts
M.E. (Mickey) Poole, Jr.
Paul N. Arnett

County Administrator
Deputy County Administrator
Deputy County Administrator
Deputy County Administrator
Assistant County Administrator
County Attorney
Director of Financial Services
Deputy Director of Financial Services/Comptroller

ADMINISTRATIVE OFFICERS - SCHOOL SYSTEM

Dr. Edgar B. Hatrick
Ned D. Waterhouse
Sharon D. Ackerman
Evan E. Mohler
C. Sue Hurd
Matthew D. Britt, IV
Douglas C. Holmes

Superintendent of Schools
Deputy Superintendent
Assistant Superintendent
Assistant Superintendent
Assistant Superintendent
Assistant Superintendent
Assistant Superintendent

COUNTY OF LOUDOUN

The County of Loudoun is a historic, transitional rural county that was established in 1757 and named for John Campbell, Fourth Earl of Loudoun. The County is located in the Northwestern tip of the Commonwealth of Virginia just west and north of Washington, D.C., and is considered to be part of the Northern Virginia and Washington Metropolitan areas. The County is approximately 517 square miles in size, covering 330,880 acres of land area, with a current population of approximately 196,430 and is one of the fastest growing jurisdictions in the Washington Metropolitan Area.

The County is governed by an elected body of representatives called the Board of Supervisors, with one Supervisor elected from each of the eight magisterial districts and one At-Large (Chairman) for a term of four years. The Board of Supervisors is the legislative and policy setting body for the County government, oversees general governmental operations, and is responsible for appropriating funds for the various County departments and agencies. A County Administrator is appointed by the Board of Supervisors to act as the Board's agent in the administration and operation of these departments and agencies. The Board also appoints the Planning Commission, the Library Board, the Social Services Board, as well as other advisory boards, commissions, committees, etc.

In addition to the Board of Supervisors, other elected County officials include: the School Board, the Commonwealth Attorney, Commissioner of Revenue, Treasurer, Sheriff and Circuit Court Clerk. The judges of the Circuit Court, General District Court, and the Juvenile and Domestic Relations District Court are elected by the State Legislature.

Loudoun County has the conveniences associated with urban areas, while maintaining a comfortable "Country-Living" atmosphere. The eastern portion of the County borders with Fairfax County, Virginia, and contains the rapidly expanding Dulles International Airport. This portion of the County has grown into a densely populated area with easy access to the Washington Metropolitan Area. This part of the County portrays the "suburban life", with many modern conveniences, easy access to schools, airport, shopping centers, etc. While Eastern Loudoun, experiencing heavy development pressures from the Washington Metropolitan Area, represents the new urban growth, Western Loudoun, bordered by the Blue Ridge Mountains to the west and Potomac River to the north, displays a rural and historical environment. The western portion of the County is made up of small towns and villages surrounded primarily by farmland and open spaces. This portion of the County is sparsely populated and represents the past, with many of the oldest historical sites in the United States. The combination of Eastern and Western Loudoun, of urban growth and historic stability, makes Loudoun County one of the most desirable counties in Northern Virginia for businesses and residents to locate.

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Auditors' Report

The Board of Supervisors
County of Loudoun, Virginia:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia (the County), as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the County of Loudoun's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia (specifications). Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia, as of June 30, 2003, and the respective changes in financial position and cash flows thereof, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, effective July 1, 2002.

The Management's Discussion and Analysis on pages 13 through 19, and the budgetary comparison schedule and pension schedules on pages 53 through 56 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of





inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2003 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information listed as introductory section, other supplementary information, and statistical section in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information included in the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

KPMG LLP

December 11, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF LOUDOUN, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2003

The following discussion and analysis of the County of Loudoun's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2003. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FY 2003

The General Fund, on a current financial resource basis, reported expenditures and other financing sources and uses in excess of revenues by \$4.4 million (Exhibit V).

On a government-wide basis for governmental activities, the County had expenses net of program revenues of \$634.2 million, which were \$129.5 million more than the general revenues of \$504.7 million (Exhibit II).

The County's total net assets excluding the component unit, on the government-wide basis, totaled (\$167.5) million (Exhibit I) at June 30, 2003. The negative net assets of the County is due primarily to the capital assets of the Component Unit-Schools being financed with bonds issued by the County.

On July 16, 2002, the County sold \$90.6 million in general obligation bonds at a true interest cost of 4.23%. Of the amount of tax-exempt bonds sold, which will mature incrementally over the next 20 years, \$74.0 million will be used to finance public improvements, including approximately 98% for school facilities, and \$16.6 million will be used to advance refund certain maturities of the Series 1993A, Series 1996A and Series 1999C general obligation bonds.

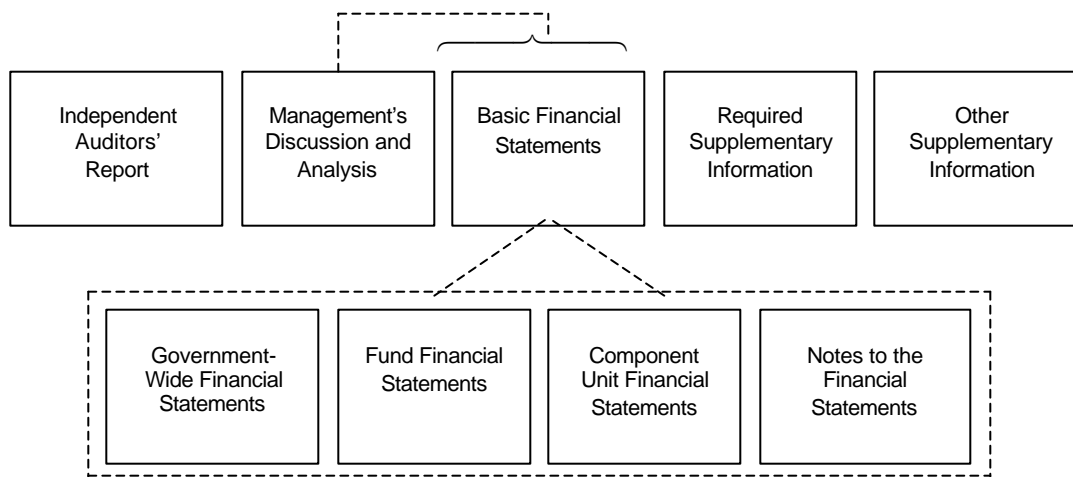
On March 18, 2003, the County sold \$110.7 million in general obligation bonds at a true interest cost of 3.77%. The tax-exempt bonds, which will mature incrementally over the next 20 years, will be used to finance public improvements, including approximately 94% for school facilities.

On June 17, 2003, the County, through the Industrial Development Authority of Loudoun County, sold \$21.5 in public facility lease revenue refunding bonds at a true interest cost of 3.76%. The tax-exempt bonds, which will mature through 2019, will be used to advance refund the Series 1994A Certificates of Participation.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report consists of four sections: introductory, financial, compliance and statistical. As the following chart shows, the financial section of this report has five components – *independent auditors' report*, *management's discussion and analysis* (this section), *the basic financial statements*, *required supplementary information* and *other supplementary information*.

COMPONENTS OF THE FINANCIAL SECTION



For the past 20 years, the primary focus of local government financial statements has been summarized fund type information on a current financial resource basis. This approach has been modified and the County's financial statements now present two kinds of statements, each with a different snapshot of the County's finances. The new focus is on both

the County as a whole (government-wide) and the fund financial statements. The government-wide financial statements, which are new, provide both long-term and short-term information about the County's overall financial status. The fund financial statements, which have been provided in the past, focus on the individual parts of the County government, reporting the County's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the County's accountability.

GOVERNMENT-WIDE STATEMENTS

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which are the government-wide statements, report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. One can think of the County's net assets – the difference between assets and liabilities – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will need to be considered, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the Statement of Net Assets and the Statement of Activities, we divide the County into the following:

Governmental activities – All of the County's basic services are reported here: Public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections); health and welfare (health, mental health and mental retardation, and social services); education (elementary, and secondary, and community college support); parks, recreation and cultural (including libraries and museums); community development (planning, zoning, housing, environmental management, and cooperative extension); limited public works (sanitation and waste removal, water and sewer, and maintenance); and general government administration (legislative, general and financial, elections and judicial). Property taxes, other local taxes, and state and federal grants finance most of these activities.

Component unit – The County includes a separate legal entity in its report – Loudoun County School Board. Although legally separate, the "component unit" is included because the County is financially accountable and provides operating and capital funding for the Loudoun County School.

FUND FINANCIAL STATEMENTS

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more information about the County's most significant funds– not the County as a whole.

The County has three kinds of funds:

Governmental funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in an accompanying schedule to the governmental funds statement that explains the relationship (or differences) between them.

Proprietary funds – These funds are used to account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents.

The County's proprietary fund types consist of the Central Services Fund and the Self-insurance Fund. The operations of these funds are generally intended to be self-supporting.

The Central Services Fund is used to account for the financing of goods or services provided among County departments on a cost-reimbursement basis and includes such activities as central duplicating, telephone, mail, support, and vehicle services. The Self-insurance Fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of risk of loss rather than transferring the risk to a third party through the purchase of commercial insurance, and includes such uninsured risks as health, workers' compensation and vehicle self-insurance programs.

Fiduciary funds— The County is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiary. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Assets:

The following table reflects the condensed Statement of Net Assets (Exhibit I):

Table 1
Summary of Statement of Net Assets
Comparison as of June 30, 2003 and 2002 (thousands)

| | Primary Government | | | School | | |
|---|--------------------|-------------------|------------------------|------------------|------------------|------------------------|
| | FY 03 | FY 02 | Increase (Decrease) | FY 03 | FY 02 | Increase (Decrease) |
| Current and Other Assets | \$490,118 | \$275,672 | \$214,446 | \$134,650 | \$32,727 | \$101,923 |
| Capital Assets | 215,235 | 204,816 | 10,419 | 589,353 | 495,042 | 94,311 |
| Total Assets | \$705,353 | \$480,488 | \$224,865 | \$724,003 | \$527,769 | \$196,234 |
| Other Liabilities | 295,986 | 89,285 | 206,701 | 63,513 | 58,667 | 4,846 |
| Long Term Liabilities | 576,827 | 429,200 | 147,627 | 9,589 | 6,143 | 3,446 |
| Total Liabilities | \$872,813 | \$518,485 | \$354,328 | \$73,102 | \$64,810 | \$8,292 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | \$143,895 | \$129,990 | \$13,905 | \$574,679 | \$484,931 | \$89,748 |
| Restricted | 6,797 | 19,636 | (12,839) | 52,118 | 10,020 | 42,098 |
| Unrestricted | (318,152) | (187,623) | (130,529) | 24,104 | (31,992) | 56,096 |
| Total Net Assets | (\$167,460) | (\$37,997) | (\$129,463) | \$650,901 | \$462,959 | \$187,942 |

This decrease in the County's net assets relates to school construction costs financed by the County. Conversely, the increase in the School's net assets relates to the construction of new schools during the fiscal year.

Statement of Activities

The following chart reflects the changes in Net Assets (Exhibit II):

Table 2
Changes in Net Assets
Comparison for the years ended June 30, 2003 and 2002 (thousands)

| | Primary Government | | | | School | | |
|--|--------------------|-------------------|------------------------|--|------------------|------------------|------------------------|
| | FY 03 | FY 02 | Increase (Decrease) | | FY 03 | FY 02 | Increase (Decrease) |
| Revenues: | | | | | | | |
| Program Revenues: | | | | | | | |
| Charges for services | \$ 40,063 | \$ 30,942 | \$ 9,121 | | \$ 8,729 | \$ 8,824 | (\$ 95) |
| Operating grants and contributions | 45,277 | 41,922 | 3,355 | | 86,638 | 80,226 | 6,412 |
| Capital grants and contributions | 1,262 | 193 | 1,069 | | 5,379 | -0- | 5,379 |
| General Revenues: | | | | | | | |
| Property Taxes | 372,790 | 317,240 | 55,550 | | -0- | -0- | -0- |
| Other Taxes | 78,188 | 67,888 | 10,300 | | -0- | -0- | -0- |
| Grants and contributions not restricted to specific programs | 46,489 | 43,253 | 3,236 | | -0- | -0- | -0- |
| Other | 7,281 | 9,137 | (1,856) | | 211 | 119 | 92 |
| Payment from County | -0- | -0- | -0- | | 450,078 | 292,801 | 152,277 |
| Total Revenues | \$591,350 | \$510,575 | \$80,775 | | \$551,035 | \$381,970 | \$169,065 |
| Expenses: | | | | | | | |
| General government | \$34,034 | \$32,913 | \$1,121 | | \$-0- | \$-0- | \$-0- |
| Judicial administration | 7,129 | 6,886 | 243 | | -0- | -0- | -0- |
| Public safety | 68,837 | 61,734 | 7,103 | | -0- | -0- | -0- |
| Public works | 21,680 | 27,096 | (5,416) | | -0- | -0- | -0- |
| Health and welfare | 56,916 | 53,175 | 3,741 | | -0- | -0- | -0- |
| Parks, recreation and culture | 28,607 | 27,970 | 637 | | -0- | -0- | -0- |
| Community development | 25,716 | 21,626 | 4,090 | | 0- | -0- | -0- |
| Education | 449,947 | 294,959 | 154,988 | | 363,093 | 316,850 | 46,243 |
| Interest and other debt service charges | 27,947 | 22,080 | 5,867 | | -0- | -0- | -0- |
| Total Expenses | \$720,813 | \$548,439 | \$172,374 | | \$363,093 | \$316,850 | \$46,243 |
| Excess (Deficiency) before extraordinary item | (\$129,463) | (\$37,864) | (\$91,599) | | \$187,942 | \$65,120 | \$122,822 |
| Extraordinary Item | -0- | -0- | -0- | | -0- | 2,210 | (2,210) |
| Change in Net Assets | (\$129,463) | (\$37,864) | (\$91,599) | | \$187,942 | \$67,330 | \$120,612 |
| Net Assets Beginning of Year | (\$37,997) | (\$133) | (\$37,864) | | \$462,959 | \$395,629 | \$67,330 |
| Net Assets End of Year | (\$167,460) | (\$37,997) | (\$129,463) | | \$650,901 | \$462,959 | \$187,942 |

Revenues

For the fiscal year ended June 30, 2003, primary government revenues totaled \$591,350,000, an increase of \$80,775,000 from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased \$55,550,000 from the prior fiscal year. This increase includes revenues received from the Commonwealth of Virginia for the Personal Property Tax Relief Act of 1998 (PPTRA). Other taxes increased \$10,300,000 from the prior fiscal year with increases in all categories of other taxes: local sales tax, consumer utility tax, business license tax, motor vehicle license tax, taxes on recordation and wills, hotel and motel room taxes, and emergency 911 fees. Charges for services increased \$9,121,000 from the prior fiscal year primarily due to an increase in permits and licenses. Also, an increase in charges for many County provided services was implemented during the fiscal year. The reduction in other revenue was due to a decrease in interest earnings resulting from an overall reduction in interest rates.

Expenses

For the fiscal year ended June 30, 2003, expenses for governmental activities total \$720,813,000.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, \$449,947,000 represents education expenses and the transfer to schools. This represents an increase of \$154,988,000 from the prior fiscal year. Six new schools were opened during the fiscal year. The increase in the remaining expenditure categories is directly attributed to the continuing population growth in the County. The decrease in public works expenses is due to a reduction in non-capitalized expenditures in the capital projects fund.

Financial Analysis of the County's Funds

For the fiscal year ended June 30, 2003, the governmental funds reflect a combined fund balance of \$240,023,599. Of this amount, \$22,924,478 is reserved, \$53,771,690 is designated for fiscal cash liquidity, \$41,783,123 is designated for subsequent years' capital projects, \$32,772,584 is designated for future debt service, and \$88,771,724 is undesignated (refer to Exhibit III).

General Fund Budgetary Highlights (Exhibit XIII)

| | Fiscal Year 2003 | | |
|------------------------------------|-----------------------|-----------------------|----------------------|
| | Original Budget | Amended Budget | Actual |
| Revenues: | | | |
| Taxes | \$413,507,637 | \$413,507,637 | \$427,350,856 |
| Intergovernmental | 70,179,901 | 71,481,313 | 71,379,542 |
| Other | 35,077,378 | 39,549,261 | 42,470,096 |
| Total | \$518,764,916 | \$524,538,211 | \$541,200,494 |
| Expenditures and Transfers: | | | |
| Expenditures | \$211,455,398 | \$220,944,914 | \$198,895,558 |
| Transfers | 345,089,220 | 347,600,964 | 346,666,351 |
| Total | \$556,544,618 | \$568,545,878 | \$545,561,909 |
| Changes in Fund Balance | (\$37,779,702) | (\$44,007,667) | (\$4,361,415) |

Expenditures and other financing uses exceeded revenues and other financing sources by \$4,361,415 in the general fund for fiscal year 2003. The transfers represent \$70,256,384 to other funds and \$276,409,967 to the School Board.

Actual general fund revenues exceeded the original budget by \$22,435,578 and exceeded the amended budget by \$16,662,283. Actual general fund expenditures and transfers were less than the original budget by \$10,982,709 and less than the amended budget by \$22,983,969. Refer to Exhibit XIII for details of the variances.

Capital Assets

At the end of fiscal year 2003, the County's governmental funds had invested \$215,235,444 (see Note VII) in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$10,418,990.

Table 3

**Governmental Funds
Change in Capital Assets**

| | Balance June 30, 2002 | Net Additions/Deletions | Balance June 30, 2003 |
|-----------------------------------|----------------------------------|------------------------------------|----------------------------------|
| Capital Assets: | | | |
| Land | \$64,372,737 | \$308,400 | \$64,681,137 |
| Buildings | 85,889,272 | 1,547,373 | 87,436,645 |
| Improvements Other Than Buildings | 12,019,994 | 14,308 | 12,034,302 |
| Equipment | 57,362,974 | 8,758,220 | 66,121,194 |
| Construction in Progress | 35,375,107 | 8,206,158 | 43,581,265 |
| Accumulated Depreciation | (50,203,630) | (8,415,469) | (58,619,099) |
| Totals | \$204,816,454 | \$10,418,990 | \$215,235,444 |

The Schools capital assets reflected in the following table totaled \$589,353,147, which represents a net increase of \$94,311,549.

**Schools
Change in Capital Assets**

| | Balance June 30, 2002 | Net Additions/Deletions | Balance June 30, 2003 |
|-----------------------------------|----------------------------------|------------------------------------|----------------------------------|
| Capital Assets: | | | |
| Land | \$22,819,118 | \$5,508,243 | \$28,327,361 |
| Buildings | 347,601,192 | 99,100,947 | 446,702,139 |
| Improvements other than Buildings | 762,409 | -0- | 762,409 |
| Equipment | 47,213,775 | 8,349,195 | 55,562,970 |
| Construction in Progress | 169,476,606 | (7,800,565) | 161,676,041 |
| Accumulated Depreciation | (92,831,502) | (10,846,271) | (103,677,773) |
| Totals | \$495,041,598 | \$94,311,549 | \$589,353,147 |

During the fiscal year 2004 budget process, Loudoun County adopted a six-year Capital Improvement Program (CIP) that totaled \$910,727,000. The fiscal years 2003-2008 plan includes eight new elementary schools for \$137.4 million, renovation of three existing elementary schools for \$31.0 million, a new middle school for \$31.6 million, renovation of existing middle schools for \$36.9 million, three new high schools for \$177.4 million, renovation of two existing high schools for \$36.4 million. The Dulles Corridor Rapid Transit System for \$140.2 million, a land acquisition fund for \$27.9 million, general government office expansion for \$43.2 million, other governmental administration projects of \$16.6 million, public safety capital improvements of \$97.7 million, health and welfare capital improvements of \$16.0 million, parks, recreation and cultural capital improvements of \$115.6 million, and community development capital projects of \$2.8 million.

Long Term Debt

On July 16, 2002 and March 18, 2003, the County issued \$90,625,000 and \$110,715,000, respectively, in general obligation bonds to aid in financing both general government and school capital projects and to advance refund certain maturities of existing general obligation bonds. At the end of fiscal year 2003, the County had \$565,810,286 in outstanding general obligation bonds and loans. This represents a net increase of \$149,503,641 from last year (see NOTE IX).

In fiscal year 2003, Standard and Poor's (S&P) and Fitch Credit Rating Services reaffirmed the County's AA+ bond ratings while Moody's Investors services, Inc., reaffirmed the rating of Aa1.

Economic Factors

Loudoun County's economic and demographic conditions reflect and are dependent upon the prevailing conditions of the Washington DC region. While much of the United States has experienced real economic downturn over the past 24 months, the Washington area has continued to be one of the strongest regional economies. Regional forecasts predict continued job creation in the region, especially with the emphasis on "homeland security" and national defense. As a result, Loudoun County should continue to experience high rates of residential new construction and some increase in commercial/industrial construction. While the residential element will remain at the level experienced in the 1998-2001 period, commercial construction will not be nearly as robust as recently experienced.

Contacting The County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. In future years, a comparative analysis of government-wide data will be presented. Questions concerning this report or requests for additional financial information should be directed to M.E. (Mickey) Poole, Director of Financial Services, County of Loudoun, Virginia, P.O. Box 7000, Leesburg, Va 20177-7000. The telephone number is (703) 777-0290 and the County's web site is at www.loudoun.gov.

BASIC FINANCIAL STATEMENTS

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2003

| | Primary Government Governmental Activities | Component Unit School Board | Total Reporting Entity |
|---|---|--|---------------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 216,056,623 | \$ 74,090,232 | \$ 290,146,855 |
| Cash and Investments with Fiscal Agents | 39,654,177 | 52,503,728 | 92,157,905 |
| Receivables, Net: | | | |
| Taxes: | | | |
| Delinquent | 24,792,397 | - | 24,792,397 |
| Not Yet Due | 191,469,083 | - | 191,469,083 |
| Accounts | 2,400,289 | 328,484 | 2,728,773 |
| Due from Other Governments | 11,896,566 | 7,310,552 | 19,207,118 |
| Advances to Employees | 48,245 | - | 48,245 |
| Inventory of Supplies | 409,356 | 365,937 | 775,293 |
| Prepaid Items | 1,047,377 | 51,110 | 1,098,487 |
| Notes and Loans receivable, Net | 2,343,584 | - | 2,343,584 |
| Capital Assets: | | | |
| Non-depreciable | 108,262,402 | 190,003,402 | 298,265,804 |
| Depreciable, Net | 106,973,042 | 399,349,745 | 506,322,787 |
| Capital Assets, Net | 215,235,444 | 589,353,147 | 804,588,591 |
| Total Assets | 705,353,141 | 724,003,190 | 1,429,356,331 |
| LIABILITIES | | | |
| Accounts Payable | 12,287,462 | 25,769,918 | 38,057,380 |
| Accrued Interest Payable | 7,364,193 | 384,691 | 7,748,884 |
| Accrued Liabilities | 3,694,649 | 22,124,252 | 25,818,901 |
| Prepaid Revenue | 1,759,676 | - | 1,759,676 |
| Deferred Revenue: | | | |
| Other | 10,599,935 | 212,132 | 10,812,067 |
| Property Taxes Not Yet Due | 191,469,083 | - | 191,469,083 |
| Claims Liabilities | 7,140,493 | - | 7,140,493 |
| Other Liabilities | 5,842,393 | 79,437 | 5,921,830 |
| Long-term Liabilities: | | | |
| Due Within One Year: | | | |
| Compensated Absences | 10,120,982 | 10,241,924 | 20,362,906 |
| Bonds Payable | 43,833,197 | - | 43,833,197 |
| Bond Premium | 1,594,229 | - | 1,594,229 |
| Leases Payable | 280,000 | 4,700,145 | 4,980,145 |
| Due in More Than One Year: | | | |
| Landfill Closure and Postclosure Care Costs | 17,538,534 | - | 17,538,534 |
| Bonds Payable | 521,977,089 | - | 521,977,089 |
| Bond Premium | 13,131,192 | - | 13,131,192 |
| Leases Payable | 24,180,000 | 9,589,215 | 33,769,215 |
| Total Liabilities | 872,813,107 | 73,101,714 | 945,914,821 |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 143,894,807 | 574,679,096 | 718,573,903 A |
| Restricted for: | | | |
| Capital Projects | 6,748,865 | 51,750,734 | 58,499,599 |
| Cafeteria Sales | - | 367,555 | 367,555 |
| Permanent Fund-Expendable | 12,154 | - | 12,154 |
| Permanent Fund-Nonexpendable | 35,721 | - | 35,721 |
| Unrestricted | (318,151,513) | 24,104,091 | 293,952,578 A |
| Total Net Assets | \$ (167,459,966) | \$ 650,901,476 | \$ 483,441,510 |

A The sum of the columns does not equal the Total Reporting Entity column by a difference of \$541,019,263 because the debt related to the School Board Component Unit is reflected in the primary government's general governmental activities column reducing unrestricted net assets. The assets are reflected in the School Board Component Unit column as invested in Capital Assets, net of related debt. The Total Reporting Entity column matches the asset with the debt and reports the net amount on the Invested in Capital Assets, net of related debt line.

**COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003**

| Functions/Programs Activities | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | Total Reporting Entity |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|---|-----------------------------|-------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities | Component Unit School Board | |
| Primary Government: | | | | | | | |
| General Government Administration | \$ 34,034,209 | \$ 1,509,509 | \$ 3,740,491 | \$ - | \$ (28,784,209) | | \$ (28,784,209) |
| Judicial Administration | 7,129,218 | 3,397,050 | 1,699,401 | - | (2,032,767) | | (2,032,767) |
| Public Safety | 68,836,698 | 12,957,883 | 9,737,098 | 1,189,168 | (44,952,549) | | (44,952,549) |
| Public Works | 21,679,388 | 2,552,903 | 5,746,319 | - | (13,380,166) | | (13,380,166) |
| Health and Welfare | 56,915,758 | 5,814,150 | 21,975,343 | - | (29,126,265) | | (29,126,265) |
| Parks, Recreation and Culture | 28,607,109 | 7,372,852 | 1,122,031 | 73,109 | (20,039,117) | | (20,039,117) |
| Community Development | 25,716,114 | 6,417,648 | 206,280 | - | (19,092,186) | | (19,092,186) |
| Education | 449,947,332 | 41,116 | 1,049,761 | - | (448,856,455) | | (448,856,455) |
| Interest and other Debt Service Charges | 27,947,146 | - | - | - | (27,947,146) | | (27,947,146) |
| Total Primary Government | \$ 720,812,972 | \$ 40,063,111 | \$ 45,276,724 | \$ 1,262,277 | \$ (634,210,860) | | \$ (634,210,860) |
| Component Unit: | | | | | | | |
| School Board | \$ 363,092,800 | \$ 8,728,620 | \$ 86,638,162 | \$ 5,379,371 | | \$ (262,346,647) | \$ (262,346,647) |
| Total Component Unit | \$ 363,092,800 | \$ 8,728,620 | \$ 86,638,162 | \$ 5,379,371 | | \$ (262,346,647) | \$ (262,346,647) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property Taxes, Levied for General Purposes | | | | | 372,789,621 | - | 372,789,621 |
| Other Local Taxes | | | | | 78,187,969 | - | 78,187,969 |
| Payment from County of Loudoun | | | | | - | 450,077,856 | 450,077,856 |
| Interest and Investment Earnings | | | | | 3,581,014 | 12,720 | 3,593,734 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 46,489,430 | - | 46,489,430 |
| Gifts and Donations | | | | | 2,840,810 | 24,228 | 2,865,038 |
| Miscellaneous | | | | | 790,112 | 112,075 | 902,187 |
| Gain on Sale of Assets | | | | | 68,755 | 61,765 | 130,520 |
| Total General Revenues and Extraordinary Item | | | | | 504,747,711 | 450,288,644 | 955,036,355 |
| Change in Net Assets | | | | | (129,463,149) | 187,941,997 | 58,478,848 |
| Net Assets at Beginning of Year, as restated | | | | | (37,996,817) | 462,959,479 | 424,962,662 |
| Net Assets at End of Year | | | | | <u>\$ (167,459,966)</u> | <u>\$ 650,901,476</u> | <u>\$ 483,441,510</u> |

**COUNTY OF LOUDOUN, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003**

| | General | Debt Service | Other Governmental Funds | Total Governmental Funds |
|--|-----------------------|-------------------------|---|---|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 73,887,743 | \$ 18,122,240 | \$ 107,674,875 | \$ 199,684,858 |
| Cash and Investments with Fiscal Agents | 63,229 | 17,811,061 | 20,242,758 | 38,117,048 |
| Receivables, Net: | | | | |
| Taxes: | | | | |
| Delinquent | 24,313,585 | - | 478,812 | 24,792,397 |
| Not yet due | 191,469,083 | - | - | 191,469,083 |
| Accounts | 1,751,253 | - | 623,883 | 2,375,136 |
| Due from Other Governments | 9,472,664 | - | 2,423,902 | 11,896,566 |
| Due from Other Funds | 8,896,726 | - | - | 8,896,726 |
| Advances to Employees | 47,233 | - | 289 | 47,522 |
| Prepaid Items | 497,187 | - | 549,670 | 1,046,857 |
| Notes and Loans Receivable, net | 2,343,435 | - | - | 2,343,435 |
| Total Assets | \$ 312,742,138 | \$ 35,933,301 | \$ 131,994,189 | \$ 480,669,628 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 5,014,186 | \$ 150 | \$ 4,594,932 | \$ 9,609,268 |
| Accrued Liabilities | 3,576,598 | - | 99,908 | 3,676,506 |
| Prepaid Revenue | 1,757,749 | - | 1,927 | 1,759,676 |
| Deferred Revenue: | | | | |
| Other | 17,877,290 | - | 1,592,692 | 19,469,982 |
| Property Taxes Not Yet Due | 191,469,083 | - | - | 191,469,083 |
| Due to Other Funds | - | 98,375 | 8,720,746 | 8,819,121 |
| Other Liabilities | 5,026,991 | 562,192 | 253,210 | 5,842,393 |
| Total Liabilities | 224,721,897 | 660,717 | 15,263,415 | 240,646,029 |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Prepaid Items | 497,187 | - | 549,670 | 1,046,857 |
| Encumbrances | 10,136,940 | - | 9,349,371 | 19,486,311 |
| Notes and Loans Receivable | 2,343,435 | - | - | 2,343,435 |
| Permanent Fund - Expendable | - | - | 12,154 | 12,154 |
| Permanent Fund - Nonexpendable | - | - | 35,721 | 35,721 |
| Unreserved, reported in: | | | | |
| General Fund: | | | | |
| Designated for Fiscal Cash Liquidity | 50,561,690 | - | - | 50,561,690 |
| Designated for Future Capital Projects | 575,366 | - | - | 575,366 |
| Undesignated | 23,905,623 | - | - | 23,905,623 |
| Special Revenue Funds: | | | | |
| Designated for Fiscal Cash Liquidity | - | - | 710,000 | 710,000 |
| Undesignated | - | - | 64,866,101 | 64,866,101 |
| Capital Projects Funds: | | | | |
| Designated for Capital Appropriations | - | - | 41,207,757 | 41,207,757 |
| Debt Service Fund: | | | | |
| Designated for Fiscal Cash Liquidity | - | 2,500,000 | - | 2,500,000 |
| Designated for Future Debt Service | - | 32,772,584 | - | 32,772,584 |
| Total Fund Balances | 88,020,241 | 35,272,584 | 116,730,774 | 240,023,599 |
| Total Liabilities and Fund Balances | \$ 312,742,138 | \$ 35,933,301 | \$ 131,994,189 | \$ 480,669,628 |

See accompanying notes to the financial statements.

COUNTY OF LOUDOUN, VIRGINIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE
TO THE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES NET DEFICIT
AS OF JUNE 30, 2003

| | | |
|--|----|-------------|
| Fund balances - total governmental funds | \$ | 240,023,599 |
|--|----|-------------|

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit I) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

| | | |
|-------------------------------|---------------------|-------------|
| Governmental capital assets | 250,714,862 | |
| Less accumulated depreciation | <u>(45,570,930)</u> | 205,143,932 |

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.

8,870,047

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

| | | |
|---|---------------------|---------------|
| Compensated absences | (10,120,982) | |
| Landfill closure and postclosure care costs | (17,538,534) | |
| Governmental bonds payable | (565,810,286) | |
| Governmental leases payable | (24,460,000) | |
| Unamortized bond premium | <u>(14,725,421)</u> | (632,655,223) |

Interest on long-term liabilities is not accrued in the governmental funds, but is rather recognized as an expenditures when due.

(7,364,193)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Assets.

18,521,872

Net Deficit of Governmental Activities

\$ (167,459,966)

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| | General | Debt Service | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------------|---|---|
| REVENUES | | | | |
| General Property Taxes | \$ 360,156,149 | \$ - | \$ 8,897,780 | \$ 369,053,929 |
| Other Local Taxes | 67,194,707 | - | 11,209,292 | 78,403,999 |
| Permits and Licenses | 17,046,703 | - | - | 17,046,703 |
| Intergovernmental | 71,379,542 | - | 13,518,455 | 84,897,997 |
| Charges for Services | 13,113,359 | - | 42,878 | 13,156,237 |
| Fines and Forfeitures | 1,439,119 | - | - | 1,439,119 |
| Use of Money and Property | 2,791,621 | 1,097,026 | 859,926 | 4,748,573 |
| Recovered Costs | 5,433,695 | - | 904,377 | 6,338,072 |
| Gifts and Donations | 386,777 | - | 10,584,467 | 10,971,244 |
| Miscellaneous | 1,284,281 | - | 205,916 | 1,490,197 |
| Total Revenues | 540,225,953 | 1,097,026 | 46,223,091 | 587,546,070 |
| EXPENDITURES | | | | |
| Current Operating: | | | | |
| General Government Administration | 32,856,620 | - | - | 32,856,620 |
| Judicial Administration | 8,141,065 | - | 30,233 | 8,171,298 |
| Public Safety | 60,165,015 | - | 6,652,286 | 66,817,301 |
| Public Works | 13,224,014 | - | 7,745,174 | 20,969,188 |
| Health and Welfare | 42,681,050 | - | 13,398,757 | 56,079,807 |
| Parks, Recreation and Culture | 24,455,835 | - | 2,232,631 | 26,688,466 |
| Community Development | 17,371,959 | - | 8,057,747 | 25,429,706 |
| Education and Transfers to School Board, net | 276,409,967 | 176,755,000 | 700 | 453,165,667 |
| Capital Outlay | - | - | 12,315,630 | 12,315,630 |
| Debt service: | | | | |
| Principal Payments | - | 41,333,781 | 91,359 | 41,425,140 |
| Interest and Service Charges | - | 25,002,865 | 14,179 | 25,017,044 |
| Total Expenditures | 475,305,525 | 243,091,646 | 50,538,696 | 768,935,867 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 64,920,428 | (241,994,620) | (4,315,605) | (181,389,797) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 974,541 | 73,062,994 | 25,495,742 | 99,533,277 |
| Transfers (Out) | (70,256,384) | (7,960,000) | (23,715,603) | (101,931,987) |
| Face Amount of Bonds issued plus Premium | - | 213,531,178 | - | 213,531,178 |
| Payments to Refunded Bond Escrow Agent | - | (16,625,000) | - | (16,625,000) |
| Proceeds from Capital Lease | - | 21,530,000 | - | 21,530,000 |
| Payment to Refunded Lease Escrow Agent | - | (21,530,000) | - | (21,530,000) |
| Total Other Financing Sources (Uses) | (69,281,843) | 262,009,172 | 1,780,139 | 194,507,468 |
| Net Change in Fund Balances | (4,361,415) | 20,014,552 | (2,535,466) | 13,117,671 |
| Fund Balances at Beginning of Year, as restated | 92,381,656 | 15,258,032 | 119,266,240 | 226,905,928 |
| Fund Balances at End of Year | \$ 88,020,241 | \$ 35,272,584 | \$ 116,730,774 | \$ 240,023,599 |

See accompanying notes to the financial statements.

COUNTY OF LOUDOUN, VIRGINIA
RECONCILIATION OF CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003

Net change in fund balances - total governmental funds \$ 13,117,671

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit II) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

| | | |
|---------------------------------|--------------------|-----------|
| Expenditures for capital assets | 15,960,396 | |
| Less current year depreciation | <u>(6,516,156)</u> | 9,444,240 |

In the Statement of Activities, only the gain (loss) on capital assets is reported while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset.

(5,592)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

| | | |
|---|--|-----------|
| Change in deferred revenue related to taxes | | 3,735,692 |
|---|--|-----------|

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

| | | |
|---|----------------|---------------|
| Principal payments | 41,425,140 | |
| Net bond proceeds | (199,631,316) | |
| Current year amortization of bond premium | <u>607,774</u> | (157,598,402) |

Expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental

| | | |
|---|------------------|-------------|
| Change in compensated absences liability | (857,629) | |
| Change in landfill closure/post-closure liability | (274,653) | |
| Change in accrued interest liability | <u>(812,738)</u> | (1,945,020) |

Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

3,788,262

| | | |
|---|--|--------------------------------|
| Change in Net Assets of Governmental Activities | | <u><u>\$ (129,463,149)</u></u> |
|---|--|--------------------------------|

**COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF NET ASSETS
PROPRIETARY - INTERNAL SERVICE FUNDS
AS OF JUNE 30, 2003**

ASSETS

Current Assets:

| | |
|---|-------------------|
| Cash and Cash Equivalents | \$ 16,371,765 |
| Cash and Investments with Fiscal Agents | 1,537,129 |
| Receivables, Net | 25,153 |
| Advances to Employees | 872 |
| Inventory of Supplies | 409,356 |
| Prepaid Items | 520 |
| Total Current Assets | <u>18,344,795</u> |

Noncurrent Assets:

Capital Assets:

| | |
|-------------------------|--------------------------|
| Depreciable, Net | 10,091,512 |
| Total Noncurrent Assets | <u>10,091,512</u> |
| Total Assets | <u><u>28,436,307</u></u> |

LIABILITIES

Current Liabilities:

| | |
|---------------------------|-------------------------|
| Accounts Payable | 2,678,194 |
| Due to Other Funds | 77,605 |
| Accrued Liabilities | 18,143 |
| Claims Liabilities | 7,140,493 |
| Total Current Liabilities | <u>9,914,435</u> |
| Total Liabilities | <u><u>9,914,435</u></u> |

NET ASSETS

| | |
|---|-----------------------------|
| Invested in Capital Assets, Net of Related Debt | 10,091,512 |
| Unrestricted | 8,430,360 |
| Total Net Assets | <u><u>\$ 18,521,872</u></u> |

COUNTY OF LOUDOUN, VIRGINIA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2003

| | |
|--|----------------------|
| Operating Revenues: | |
| Charges for Services | \$ 54,203,337 |
| Use of Property | 93,939 |
| Total Operating Revenues | <u>54,297,276</u> |
| Operating Expenses: | |
| Claims | 35,935,019 |
| Personnel Services | 2,572,499 |
| Other Services and Charges | 11,049,369 |
| Materials and Supplies | 3,187,710 |
| Depreciation | 3,136,780 |
| Total Operating Expenses | <u>55,881,377</u> |
| Operating (Loss) | (1,584,101) |
| Non-Operating Revenues - | |
| Gain on Sale of Fixed Assets | <u>73,653</u> |
| Net (Loss) Before Operating Transfers | (1,510,448) |
| Transfers In | 2,398,710 |
| Transfers In from Component Unit | <u>2,900,000</u> |
| Change in Net Assets | 3,788,262 |
| Net Assets at Beginning of Year | 14,733,610 |
| Net Assets at End of Year | <u>\$ 18,521,872</u> |

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2003**

Cash Flows from Operating Activities

| | |
|--|----------------|
| Receipts from Customers | \$ 54,431,137 |
| Payments to Suppliers for Goods and Services | (15,318,452) |
| Claims Paid | (36,370,070) |
| Payments to Employees | (2,554,902) |
| Net Cash Provided by Operating Activities | <u>187,713</u> |

Cash Flows from Noncapital Financing Activities:

| | |
|---|------------------|
| Transfers In | 2,398,710 |
| Transfers In from Component Unit | 2,900,000 |
| Net Cash Flows Provided by Noncapital Financing Activities | <u>5,298,710</u> |

Cash Flows from Capital and Related Financing Activities:

| | |
|--|--------------------|
| Additions to Capital Assets | (4,166,769) |
| Proceeds from Sale of Capital Assets | 123,300 |
| Net Cash Flows Used in Capital and Related Financing Activities | <u>(4,043,469)</u> |

Net Increase in Cash and Cash Equipvalents

1,442,954

Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year

16,465,940

Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year\$ 17,908,894**Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities:****Operating (Loss)**\$ (1,584,101)**Adjustment Not Affecting Cash:**

| | |
|--------------|-----------|
| Depreciation | 3,136,780 |
|--------------|-----------|

(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:

| | |
|--|--------------------------|
| Receivable, Net | 133,861 |
| Inventory of Supplies | (20,795) |
| Prepaid Items | (325) |
| Accounts Payable | (1,095,673) |
| Due to Other Funds | 35,420 |
| Accrued Liabilities | 17,597 |
| Claims Liabilities | (435,051) |
| Total Adjustments | <u>1,771,814</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 187,713</u></u> |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AS OF JUNE 30, 2003

| | Volunteer Fire and Rescue Fund | Private Purpose Trust Funds | Agency Funds |
|---|---|--|-------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ - | \$ 8,132 | \$ 16,378,802 |
| Cash and Investments with Fiscal Agents | 8,220,963 | - | - |
| Total Assets | <u>\$ 8,220,963</u> | <u>\$ 8,132</u> | <u>\$ 16,378,802</u> |
| LIABILITIES | | | |
| Accounts Payable and Funds Held in Trust for Others | \$ - | \$ - | \$ 16,378,802 |
| Total Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,378,802</u> |
| NET ASSETS | | | |
| Held in Trust for Pension Benefits and Other Purposes | <u>\$ 8,220,963</u> | <u>\$ 8,132</u> | |

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2003**

| | Volunteer Fire and Rescue Fund | Private Purpose Trust Funds |
|---|---|--|
| ADDITIONS | | |
| Employer Contributions - Annual Required Contribution | \$ 731,938 | \$ - |
| Employer Contributions - Administrative Fees | 10,752 | - |
| Investment Earnings - Interest | 434,311 | 142 |
| Total Additions | <u>1,177,001</u> | <u>142</u> |
| DEDUCTIONS | | |
| Benefits | 426,083 | 2,000 |
| Administrative Expense | 10,752 | - |
| Total Deductions | <u>436,835</u> | <u>2,000</u> |
| Change in Net Assets | 740,166 | (1,858) |
| Net Assets at Beginning of Year | <u>7,480,797</u> | <u>9,990</u> |
| Net Assets at End of Year | <u><u>\$ 8,220,963</u></u> | <u><u>\$ 8,132</u></u> |

See accompanying notes to the financial statements.

COUNTY OF LOUDOUN, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Loudoun, Virginia (the County), have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies of the County are described below.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

(A) **REPORTING ENTITY**

The County is a political subdivision of the Commonwealth of Virginia (the State), governed by a nine member elected Board of Supervisors and an appointed County Administrator. As required by GAAP, the financial statements present the government (the Primary Government) and its component unit, the Loudoun County Public School System (the Schools). The County of Loudoun, Virginia reporting entity is determined upon the evaluation of certain criteria established by GASB.

Component Units - Component Units are entities for which the primary government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The County has no component units that meet the requirements for blending. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the government. The Loudoun County School Board, described below, is the only component unit of the County.

In May 2002, GASB released Statement No. 39, Determining Whether Certain Organizations Are Component Units (GASB No. 39). This Statement amends GASB Statement No. 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. This statement was implemented by the County on July 1, 2002. As a result, the Loudoun County Sanitation Authority which was reported as a component unit of the County in prior years, is no longer included as a component unit of the County.

The Loudoun County School Board - The Schools are responsible for elementary and secondary education within the County's jurisdiction. Members of the Schools' governing board (the School Board) are elected. They were most recently elected in November 1999, and assumed their responsibilities on January 1, 2000. The Schools are fiscally dependent upon the County because the County's Board of Supervisors approves the School's budget, levies taxes (if necessary) and issues bonds for School capital projects and improvements. The Schools financial statements are presented in Exhibits XII and XIII, as well as Schedules 37 and 38 in the accompanying Table of Contents. The Schools do not issue separate financial statements.

(B) **BASIS OF PRESENTATION**

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis* – for State and Local Governments. This statement, known as the "Reporting Model" statement, which affects the way the governments prepare and present financial information, was adopted by the County effective July 1, 2001.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments as discussed below. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

Management's Discussion and Analysis – GASB Statement No. 34 requires the financial statements to be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides

in their annual reports.

Government-wide Financial Statements – The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt). Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all nonfiduciary activities of the primary government and its component units. *Governmental Activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Statement of Net Assets – The Statement of Net Assets is designed to display the financial position of the primary government and its discretely presented component units. Governments will report all capital assets, in the government-wide Statement of Net Assets and will report depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. The net assets of a government will be broken down into three categories: 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities – The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The County does not allocate indirect expenses to the governmental functions.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- General Fund – This fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted in another fund.
- Debt Service Fund – This fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on long-term general obligation debt of governmental funds.

All other non major governmental funds are reported in a single column captioned “Other Governmental Funds” and consist of special revenue funds, trust funds and capital project funds.

The government reports the following proprietary funds:

These funds are used to account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position, and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The County's proprietary funds consist solely of its internal service funds (the Central Services Fund and the Self-Insurance Fund). These funds are included in governmental activities for government-wide reporting purposes. All significant interfund activity has been eliminated. The excess revenue or expenses for these funds are allocated to the appropriate functional activity. The operations of these funds are generally intended to be self-supporting.

- Central Services Fund – This fund is used to account for the financing of goods or services provided among County departments on a cost-reimbursement basis and includes such activities as central duplicating, telephone, mail, support and fleet management services.
- Self Insurance Fund – This fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of loss rather than transferring that risk to a third party through the purchase of commercial insurance, and includes such uninsured risks as health, workers' compensation, and vehicle self-insurance programs.

Additionally, the government reports the following Fiduciary funds:

- Pension Trust Fund – This fund is used to account for the activities of the Public Safety Employees Retirement System, which accumulates resources for pension benefit payments to qualified public safety employees.
- Private-purpose Trust Funds - These funds are used to account for the assets received and disbursed by the County acting in a trustee capacity or as an agent for individuals, private organizations or governments.
- Agency Funds – These funds are used to account for monies received, held and disbursed on behalf of certain welfare recipients, certain developers, certain employee benefits, and certain inmates at the time of incarceration.

In accordance with the provisions of GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, (GASB No. 20) the County continues to apply all applicable GASB pronouncements and has elected to apply only those Financial Accounting Standards Board Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes.

Amounts reported as *program revenue* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service fund are charges to the County departments on a cost-reimbursement basis for goods or services provided, and includes such activities as central duplicating, telephone, mail, support and fleet management services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Comparison Schedules – Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of final budget and actual results. The County's budgetary comparison schedules are reported as required supplementary information following the notes to the financial statements.

(C) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds within fiduciary fund financial statements are reported using the accrual basis of accounting. However, there is no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. Accordingly, real and personal property taxes are recorded as deferred revenues and property taxes receivable when billed, net of allowances for uncollectible amounts of \$1,727,820 as of June 30,

2003. Real and personal property taxes recorded at June 30, and received within the first 60 days after year-end are included in tax revenues, with the related amount reduced from deferred revenues. Sales and utility taxes, which are collected by the Commonwealth of Virginia or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one to two months preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State and other grants for the purpose of specific programs are recognized when earned or at the time of the specific reimbursable expenditure. Revenues from general purpose grants are recognized during the period to which the grants apply. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt which is recognized when due.

The property tax calendar is as follows:

| | <u>Real Property</u> | <u>Personal Property</u> |
|------------------------------|---------------------------------|-------------------------------------|
| Lien Date | Jan 5/Jul 5 | Nov 5/Jun 5 |
| Assessment Date | Jan 1 | Jan 1 |
| Levy Date | Apr 1 | Mar 1 |
| Due Date and Collection Date | Jun 5/Dec 5 | Oct 5/May 5 |

(D) **BUDGETS**

Budgets are prepared and adopted on a basis consistent with GAAP. Annual appropriation resolutions and budgets are adopted for the Primary Government's General, Special Revenue and Debt Service Funds and the School's Operating and Debt Service Funds. The proposed budget also includes a recommended program of capital expenditures to be financed from current operations and a separate five-year capital improvement plan. All annual appropriations lapse at fiscal year-end with the exception of the Capital Project Funds, for which project-length budgets are adopted.

Encumbrances represent goods or services that have been contracted and are funded, however, these goods or services have not been received or performed. Encumbrances do not constitute an expenditure. The budget of any funds encumbered at the end of the fiscal year carry over into the next fiscal year.

(E) **CASH AND TEMPORARY INVESTMENTS**

Within cash and temporary investments the County includes amounts in demand deposits as well as short-term investments with a maturity date generally within three months of the date acquired by the County.

In accordance with the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools ("GASB No. 31"), investments are stated at fair value.

For the Capital Projects and Debt Service Funds, interest income on cash held with fiscal agents and trustees is recorded within these respective funds.

The County records short-term investments at cost, which approximates fair value.

All interest is credited to the General Fund unless law or Board of Supervisor Action requires allocation. Allocation, when required, is based on the monthly interest rate earned on funds invested with the Local Government Investment Pool (LGIP).

(F) **RECEIVABLES AND PAYABLES**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

(G) **INVENTORIES OF SUPPLIES**

Inventories are valued at the lower of cost or market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed.

(H) **PREPAID ITEMS**

Prepaid items are payments made to vendors for services that will benefit periods after June 30, 2003.

(I) **NONCURRENT NOTES AND LOANS RECEIVABLE**

Noncurrent portions of long-term notes and loans receivables, net of allowances, are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources, therefore, are not available for appropriation.

(J) CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The County does not have any infrastructure to be included in the financial statements, as substantially all such assets are owned by the Commonwealth of Virginia.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government, as well as the School Board, is depreciated using the straight-line method over the following estimated useful lives:

| ASSETS | YEARS |
|-----------------------|-------|
| Buildings | 45 |
| Building Improvements | 10-25 |
| Vehicles | 5 |
| Office Equipment | 5-10 |
| Computer Equipment | 5 |

(K) COMPENSATED ABSENCES

1. Primary Government Employees - In 1994, the Primary Government adopted a policy under which employees can accumulate and be paid-out upon employment separation, a maximum of 364 hours of earned but unused annual (vacation) leave. Employees with accrued balances in excess of 364 hours may utilize their accumulated balances in excess of 364 hours prior to December 31. Annual leave hours accrued in excess of 364 hours by each employee during each year are calculated at December 31, with the Primary Government converting those excess hours into additional sick leave hours. As of June 30, 2003, a vacation liability of \$7,926,797 has been recorded, representing the Primary Government's commitment to pay such costs in future periods.

Beginning July 1, 2001, employees with 10 years of service will be compensated for unused sick leave when they leave County employment. Employees meeting this criteria will be compensated for 25% of unused sick leave to a maximum amount of \$10,000 per individual. As of June 30, 2003, a liability of \$2,194,185 was recorded on the County's statement of net assets (Exhibit I).

2. School System Employees - School employees, other than teachers, are allowed to accumulate a maximum of 480 hours of vacation leave, which will be paid-out upon employment separation. Teachers do not accumulate annual leave. Additionally, all School employees with ten or more years of service are compensated for a portion of earned, but unused sick leave upon employment separation to a maximum amount of \$10,125 per individual. At June 30, 2003, a liability of \$10,241,924 has been reflected for vacation and sick leave, which employees have accumulated and may be paid upon employment separation.

(L) LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund statement of net assets. Bond premiums are deferred and amortized over the life of the bonds using the proportionate to stated interest requirements method.

In the fund financial statements, governmental funds recognize bond premiums during the current period. The face amount of debt issues is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

(M) FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations

of fund balance represent tentative management plans that are subject to change.

(N) **RESTATEMENT OF BEGINNING FUND BALANCES**

Certain fiduciary funds were reclassified to governmental funds in fiscal year 2003 and, therefore, the corresponding beginning fund balances of the respective governmental funds have been restated as follows.

- The Peabody Trust fund was reclassified to a Permanent Trust Fund from a Private Purpose Trust fund, thus increasing the beginning fund balance of the Permanent Trust fund by \$48,409 and decreasing the Private Purpose Trust funds by the same amount.
- The Environmental Trust fund was reclassified to a Special Revenue fund from a Private Purpose Trust fund, thus increasing the beginning fund balance of Special Revenue funds by \$1,488 and decreasing the Private Purpose Trust funds by the same amount.
- The Beautification Trust fund was reclassified to a Special Revenue fund from a Private Purpose Trust fund, thus increasing the beginning fund balance of Special Revenue funds by \$6,051 and decreasing the Private Purpose Trust funds by the same amount.

Additionally, the Special Welfare Trust fund was reclassified to an Agency fund from a Private Purpose Trust fund, thus reducing the Private Purpose Trust funds and increasing the Agency funds assets and liabilities by \$24,700.

NOTE II – LEGAL COMPLIANCE – FUND DEFICITS

As of June 30, 2003, the following funds had deficit fund balances:

- Route 28 Special Improvement Fund – Deficit fund balance of \$1,599 is due to prepaid revenue (2nd half 2003 taxes) that was collected and remitted to the Commonwealth of Virginia.
- Community Development Fund – Deficit fund balance of \$12,389 will be eliminated through the scheduled payments of the Community Development Block Grant loans.
- Hotel and Motel Room Tax Fund – Deficit fund balance of \$89,598 is due to a revenue short fall in fiscal year 2003. Steps have been taken in fiscal year 2004 to correct this shortfall and eliminate the deficit.

NOTE III - BANK DEPOSITS AND INVESTMENTS

Bank Deposits: At year-end, the carrying value of the County's deposits with banks and savings institutions was (\$7,149,355) which relates to checks which have been written and not cleared, and the bank balance was \$1,991,466. All bank balances during the year were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act). Under the Act, banks holding public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board (the Board). Savings and loan institutions are required to collateralize 100% Of deposits in excess of FDIC limits. The deposits collateralized under the Act are considered to be insured. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loan institutions. The carrying amount of deposits for the Component Unit - Schools, was \$2,576,479 and the bank balance was \$2,576,479. All bank balances during the year were covered by federal depository insurance or collateralized in accordance with the Act.

Investments - State statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), African Development Bank and Asian Development Bank, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP), and the State Treasurer's Non-Arbitrage Program (SNAP).

The County's investments are categorized to give an indication of the level of risk assumed by the entity at year-end.

- Category 1 includes investments that are insured or registered, for which the securities are held by the County or its safekeeping agent in the County's name.
- Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party's agent or the trust department of a financial institution in the County's name.
- Category 3 includes uninsured and unregistered investments for which the securities are held by the broker, counter-party's agent, or by the trust department of a financial institution, but not in the County's name.

Certain investments indicated in the following table, are not subject to categorization. These investments include those in pools

managed by other governments and mutual funds because they are not evidenced by securities that exist in physical or book entry form.

The County invests in an externally managed investment pool, LGIP, that is not SEC-registered. Pursuant to SEC. 2.1-234.7 of the Code of Virginia (1950), as amended, the State Treasury Board sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the State Treasury Board at their regularly scheduled monthly meetings, and the fair value of the position in the LGIP is the same as the value of the pool shares.

The equity in the Northern Virginia Transportation Commission (NVTC) investment pool is also invested in the externally managed investment pool, LGIP, that is described above, and the fair value of the position in the NVTC investment pool is the same as the value of the pool shares.

At year end, the Primary Government's investment and deposit balances were as follows:

| | Category | | | Carrying Value |
|--|----------------------|---------------|--------------------|----------------------|
| | 1 | 2 | 3 | |
| U.S. Government Securities | \$ 78,929,391 | \$ -0- | \$ -0- | \$ 78,929,391 |
| Commercial Paper | 29,181,780 | -0- | -0- | 29,181,780 |
| Bankers' Acceptances | 6,184,998 | -0- | -0- | 6,184,998 |
| Government Agencies | 43,693,466 | -0- | -0- | 43,693,466 |
| Overnight Sweep Investments | -0- | -0- | 2,762,000 | 2,762,000 |
| Sub-total | \$157,989,635 | \$ -0- | \$2,762,000 | \$160,751,635 |
| Investment Not Subject to Categorization: | | | | |
| Investments in State Treasurer's Local Government Investment Pool (LGIP) | | | | 81,240,508 |
| Equity in Bond Funds | | | | 24,559,926 |
| Equity in NVTC Investment Pool | | | | 13,490,143 |
| Total Investments | | | | \$280,042,212 |
| Escrow Accounts | | | | 1,604,108 |
| Cash on Hand | | | | 5,821,732 |
| Total Bank Deposits | | | | (7,149,355) |
| Total Deposits and Investments | | | | \$280,318,697 |

At year-end, the Schools' investment and deposit balances were as follows:

| | Category | | | Carrying Value |
|--|----------|---|---|----------------------|
| | 1 | 2 | 3 | |
| Investment Not Subject to Categorization: | | | | |
| Investments in State Treasurer's Local Government Investment Pool (LGIP) | | | | \$ 71,513,753 |
| Equity in Bond Funds | | | | 52,503,728 |
| Total Investments | | | | \$124,017,481 |
| Total Bank Deposits | | | | \$2,576,479 |
| Total Deposits and Investments | | | | \$126,593,960 |

Due to significantly higher cash flows at certain times during the year, the County's overnight sweep investment (or other authorized investment vehicles), for which the underlying securities were held by the dealer, increased significantly. As a result, the amounts included in Category 3 at those times were significantly higher than at year-end.

NOTE IV – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

(A) RECEIVABLES

Receivables at June 30, 2003 are as follows:

| | Accounts | Taxes | Due from Other Governments | Total Receivables |
|--------------------------------------|--------------------|----------------------|-----------------------------------|--------------------------|
| Governmental Activities: | | | | |
| General Fund | \$1,751,253 | \$215,782,668 | \$ 9,472,664 | \$227,006,585 |
| Other Governmental Funds | 623,883 | 478,812 | 2,423,902 | 3,526,597 |
| Internal Service Funds | 25,153 | -0- | -0- | 25,153 |
| Total Governmental Activities | \$2,400,289 | \$216,261,480 | \$11,896,566 | \$230,558,335 |
| Component Unit-Schools | \$ 328,484 | \$ -0- | \$ 7,310,552 | \$ 7,639,036 |

(B) PAYABLES

Payables at June 30, 2003 are as follows:

| | Vendors | Salaries and Benefits | Accrued Interest | Total Payables |
|--------------------------------------|---------------------|------------------------------|-------------------------|-----------------------|
| Governmental Activities: | | | | |
| General Fund | \$ 5,014,186 | \$ 3,576,598 | \$ -0- | \$ 8,590,784 |
| Debt Service Fund | 150 | -0- | 7,364,193 | 7,364,343 |
| Other Governmental Funds | 4,594,932 | 99,908 | -0- | 4,694,840 |
| Internal Service Funds | 2,678,194 | 18,143 | -0- | 2,696,337 |
| Total Governmental Activities | \$12,287,462 | \$ 3,694,649 | \$7,364,193 | \$23,346,304 |
| Component Unit-Schools | \$25,769,918 | \$22,124,252 | \$ 384,691 | \$48,278,861 |

NOTE V – INTERFUND BALANCES

Due to/from balances represent amounts paid by one entity on behalf of the other entity. Interfund balances at June 30, 2003 consist of the following:

| | DUE FROM | | | |
|---------------|--------------------------|-------------------------------|-------------------------------|--------------|
| DUE TO | Debt Service Fund | Non-Major Governmental | Internal Service Funds | Total |
| General Fund | \$98,375 | \$8,720,746 | \$77,605 | \$8,896,726 |

NOTE VI – INTERFUND TRANSFERS

The primary purpose of interfund transfers is to provide funding for operations and capital projects. Interfund transfers for the year ended June 30, 2003 consist of the following:

| | TRANSFER FROM | | | |
|------------------------------|---------------------|--------------------|------------------------|----------------------|
| | General Fund | Debt Service Fund | Non-Major Governmental | Total |
| TRANSFER TO | | | | |
| General Fund | \$ -0- | \$ -0- | \$ 974,541 | \$ 974,541 |
| Debt Service Fund | 56,718,372 | -0- | 16,344,622 | 73,062,994 |
| Non-Major Governmental Funds | 11,659,609 | 7,960,000 | 5,876,133 | 25,495,742 |
| Internal Service Funds | 1,878,403 | -0- | 520,307 | 2,398,710 |
| Total | \$70,256,384 | \$7,960,000 | \$23,715,603 | \$101,931,987 |

NOTE VII – CAPITAL ASSETS

Capital asset activity for the primary government for the year ended June 30, 2003 is as follows:

| | Primary Government | | | | |
|---|------------------------|-----------------------|-----------------------|----------------------|------------------------|
| | Balance July 1, 2002 | Additions/Increases | Retirements/Decreases | Transfer | Balance June 30, 2003 |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 64,372,737 | \$308,400 | \$ -0- | \$ -0- | \$ 64,681,137 |
| Construction in Progress | 35,375,107 | 10,693,102 | -0- | (2,486,944) | 43,581,265 |
| Total Capital Assets Not Being Depreciated | \$ 99,747,844 | \$ 11,001,502 | \$ -0- | (\$2,486,944) | \$108,262,402 |
| Other Capital Assets: | | | | | |
| Buildings | \$ 85,889,272 | \$828,689 | \$ -0- | \$ 718,684 | \$ 87,436,645 |
| Improvements Other Than Buildings | 12,019,994 | 14,308 | -0- | -0- | 12,034,302 |
| Equipment | 57,362,974 | 8,282,665 | (1,292,705) | 1,768,260 | 66,121,194 |
| Total Other Capital Assets | \$155,272,240 | \$ 9,125,662 | (\$1,292,705) | \$2,486,944 | \$165,592,141 |
| Less Accumulated Depreciation for: | | | | | |
| Buildings | (\$ 16,609,601) | (\$ 2,051,214) | \$ -0- | \$ -0- | (\$ 18,660,815) |
| Improvements Other Than Buildings | (3,943,068) | (1,131,307) | -0- | -0- | (5,074,375) |
| Equipment | (29,650,961) | (6,470,415) | 1,237,467 | -0- | (34,883,909) |
| Total Accumulated Depreciation | (\$ 50,203,630) | (\$ 9,652,936) | \$ 1,237,467 | \$ -0- | (\$ 58,619,099) |
| Other Capital Assets, Net | \$105,068,610 | (\$ 527,274) | (\$ 55,238) | \$2,486,944 | \$106,973,042 |
| Total | \$204,816,454 | \$10,474,228 | (\$ 55,238) | \$ -0- | \$215,235,444 |

Primary government capital assets, net of accumulated depreciation, at June 30, 2003 are comprised of the following:

| | |
|---|-----------------------------|
| General capital assets, net | \$205,143,932 |
| Internal service fund capital assets, net | 10,091,512 |
| Total | <u>\$215,235,444</u> |

Depreciation was charged to governmental functions as follows:

| | |
|-----------------------------------|---------------------------|
| General government administration | \$5,190,736 |
| Judicial administration | 61,514 |
| Public safety | 1,672,315 |
| Public works | 360,865 |
| Health and welfare | 398,985 |
| Parks, recreation and culture | 1,890,263 |
| Community development | 78,258 |
| Total | <u>\$9,652,936</u> |

Capital asset activity for the Schools for the year ended June 30, 2003 is as follows:

| | Component Unit – Schools | | | | |
|---|--------------------------|-------------------------|---------------------------|-----------------------|--------------------------|
| | Balance July 1, 2002 | Additions/ Increases | Retirements/ Decreases | Transfer | Balance June 30, 2003 |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 22,819,118 | \$5,508,243 | \$ -0- | \$ -0- | \$28,327,361 |
| Construction in Progress | 169,476,606 | 76,877,889 | -0- | (84,678,454) | 161,676,041 |
| Total Capital Assets Not Being Depreciated | \$192,295,724 | \$82,386,132 | \$ -0- | (\$84,678,454) | \$190,003,402 |
| Other Capital Assets: | | | | | |
| Buildings | \$347,601,192 | \$14,422,493 | \$ -0- | \$84,678,454 | \$446,702,139 |
| Improvements Other than Buildings | 762,409 | -0- | -0- | -0- | 762,409 |
| Equipment | 47,213,775 | 11,869,953 | (3,520,758) | -0- | 55,562,970 |
| Total Other Capital Assets | \$395,577,376 | \$26,292,446 | (\$3,520,758) | \$84,678,454 | \$503,027,518 |
| Less Accumulated Depreciation for: | | | | | |
| Buildings | (\$63,737,983) | (\$7,566,803) | \$ -0- | \$ -0- | (\$71,304,786) |
| Improvements Other than Buildings | (468,172) | (53,064) | -0- | -0- | (521,236) |
| Equipment | (28,625,347) | (6,640,489) | 3,414,085 | -0- | (31,851,751) |
| Total Accumulated Depreciation | (\$92,831,502) | (\$14,260,356) | \$3,414,085 | \$-0- | (\$103,677,773) |
| Other Capital Assets, Net | \$302,745,874 | \$12,032,090 | (\$106,673) | \$84,678,454 | \$399,349,745 |
| Totals | \$495,041,598 | \$94,418,222 | (\$106,673) | \$ -0- | \$589,353,147 |

All depreciation was charged to education.

Construction in progress and construction commitments is composed of the following:

| Primary Government | | | | | |
|-----------------------------------|-----------------------|--|---|---|--|
| Function/Program | Program Authorization | Transferred To Fixed Assets By June 30, 2003 | Construction In Progress At June 30, 2003 | Construction Commitments At June 30, 2003 | Remaining To Be Committed At June 30, 2003 |
| General Government Administration | \$66,766,667 | \$49,781,408 | \$189,095 | \$85,260 | \$16,710,904 |
| Judicial Administration | 30,006,356 | 298,911 | 26,334,654 | 1,630,064 | 1,742,727 |
| Public Safety | 92,162,760 | 16,293,310 | 7,115,510 | 1,600,044 | 67,153,896 |
| Public Works | 14,059,283 | 9,597,483 | -0- | 343,250 | 4,118,550 |
| Health and Welfare | 2,751,791 | 702,066 | 23,669 | 9,175 | 2,016,881 |
| Parks, Recreation and Cultural | 79,276,154 | 15,102,827 | 9,918,337 | 4,116,752 | 50,138,238 |
| Total – Primary Government | \$285,023,011 | \$91,776,005 | \$43,581,265 | \$7,784,545 | \$141,881,196 |

| Component Unit – Schools | | | | | |
|---|-----------------------|--|---|---|--|
| Function/Program | Program Authorization | Transferred To Fixed Assets By June 30, 2003 | Construction In Progress At June 30, 2003 | Construction Commitments At June 30, 2003 | Remaining To Be Committed At June 30, 2003 |
| Education | \$853,502,256 | \$404,307,441 | \$161,676,041 | \$66,077,054 | \$221,441,720 |
| Total – Component Unit - Schools | \$853,502,256 | \$404,307,441 | \$161,676,041 | \$66,077,054 | \$221,441,720 |

NOTE VIII - RISK MANAGEMENT

The County General Government's automobile liability and general liability protection are administered through Virginia Association of Counties (VACO). Both agreements have a \$2 million per occurrence limit. The general liability protections have a \$2 million aggregate limit. Both policies have a \$100,000 retention. Member jurisdictions contribute to the pool based on their size and past claims experience. The County is also insured for law-enforcement liability and public officials liability risks through the State Law Enforcement Liability Self-Insurance Plan and the State Public Officials Self-Insurance Plan, respectively. These programs have a \$2 million per occurrence limit, and insure the County Sheriff's Department, other County enforcement agencies and all elected and appointed public officials and employees against certain types of claims. Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the County's previous commercial insurance programs.

This excess coverage from Genesis, in comparison with the County's \$2 million primary coverages, brings all liability programs up to a limit of \$10 million per occurrence. In 1989, the County received a Certificate as a Qualified Self-Insurer from the Virginia State Industrial Commission. At that time, the County began to self-insure general government workers' compensation. At the same time, the County purchased excess and employers liability insurance from the Employers Reinsurance Corporation limiting individual claims against the self-insurance program to \$400,000. A reserve for pending claims and incurred but not reported claims has been accrued as a liability within the self-insurance funds as an estimate based on information received from the County's outside actuary, Milliman, USA.

The County General Government and Component Unit-Schools contract with a third party administrator to adjust workers' compensation claims, provide underwriting services, and recommend reserve levels, including claims reported but not settled. Claims not closed out at January 1, 1990, remain with the Virginia Municipal Group Self-Insurance Association. All other property and casualty insurance either has been, or is expected to be renewed as it becomes due. The following table shows the amounts that have been accrued for workers' compensation as a liability within the self-insurance fund. The General Government's administrator is Landin, Inc., and the Component Unit-Schools' administrator is VACO.

WORKERS' COMPENSATION

| | Primary Government | Component Unit – Schools | Total |
|--|---------------------|--------------------------|---------------------|
| <u>Fiscal Year 2003</u> | | | |
| Unpaid Claims Beginning of Fiscal Year | \$ 2,710,074 | \$ 1,187,470 | \$ 3,897,544 |
| Incurred Claims (Including IBNR) | 951,471 | 361,914 | 1,313,385 |
| Claim Payments | (838,610) | (289,688) | (1,128,298) |
| Unpaid Claims End of Fiscal Year | <u>\$ 2,822,935</u> | <u>\$ 1,259,696</u> | <u>\$ 4,082,631</u> |

| <u>Fiscal Year 2002</u> | <u>Primary Government</u> | <u>Component Unit – Schools</u> | <u>Total</u> |
|--|--------------------------------------|--|---------------------|
| Unpaid Claims Beginning of Fiscal Year | \$2,943,949 | \$ 928,259 | \$3,872,208 |
| Incurred Claims (Including IBNR) | 438,613 | 1,019,959 | 1,458,572 |
| Claim Payments | <u>(672,488)</u> | <u>(760,748)</u> | <u>(1,433,236)</u> |
| Unpaid Claims End of Fiscal Year | <u>\$2,710,074</u> | <u>\$1,187,470</u> | <u>\$3,897,544</u> |

On October 1, 1994, the County General Government and Component Unit - Schools began to self-insure health care for all eligible employees and all retirees. Eligible employees are regular staff and long-term full-time temporary employees. Eligible retirees include all retirees who immediately begin drawing a retirement annuity from the Virginia Retirement System. Employer contribution rate for employees varies depending on scheduled hours. Employer contribution rates for retirees varies based on the type of retirement, years of service and type of coverage. The health insurance plan is a point of service plan. In-network services are covered with a \$10 co-pay for Primary Care Physician, \$15 for Specialists. Participants have an option to receive services out of network, subject to \$200 deductible and 10% co-insurance. Prescription drugs, dental and vision services are covered as part of the plan. The County has purchased specific stop loss insurance from Mid Atlantic Medical Services, Inc., (MAMSI) limiting claims against the self-insurance program to \$100,000 per occurrence for individual claims. The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from the County's outside actuary.

HEALTH INSURANCE

| <u>Fiscal Year 2003</u> | <u>Primary Government</u> | <u>Component Unit – Schools</u> | <u>Total</u> |
|--|--------------------------------------|--|---------------------|
| Unpaid Claims Beginning of Fiscal Year | \$ 1,247,000 | \$ 2,431,000 | \$3,678,000 |
| Incurred Claims (Including IBNR) | 11,756,843 | 23,209,323 | 34,966,166 |
| Claim Payments | <u>(12,018,587)</u> | <u>(23,567,717)</u> | <u>(35,586,304)</u> |
| Unpaid Claims End of Fiscal Year | <u>\$ 985,256</u> | <u>\$ 2,072,606</u> | <u>\$3,057,862</u> |

| <u>Fiscal Year 2002</u> | <u>Primary Government</u> | <u>Component Unit – Schools</u> | <u>Total</u> |
|--|--------------------------------------|--|---------------------|
| Unpaid Claims Beginning of Fiscal Year | \$ 922,000 | \$ 1,950,000 | \$ 2,872,000 |
| Incurred Claims (Including IBNR) | 10,634,163 | 19,039,361 | 29,673,524 |
| Claim Payments | <u>(10,309,163)</u> | <u>(18,558,361)</u> | <u>(28,867,524)</u> |
| Unpaid Claims End of Fiscal Year | <u>\$1,247,000</u> | <u>\$ 2,431,000</u> | <u>\$ 3,678,000</u> |

The County General Government's and Component Unit-Schools' health insurance administrator is MAMSI, a third party administrator. MAMSI is contracted to adjust health insurance claims, provide underwriting services, recommend reserve levels, including claims reported but not settled. Delta Dental is the third party administrator for dental benefits and ECPA is the third party administrator for visions benefits.

The Board of Supervisors has the authority to modify the provisions of the County's post-employment benefit program. As of June 30, 2003, 134 retirees or individuals who qualify for disability met the eligibility requirements for program participation. During FY2003, expenditures of \$456,280 were recorded for post-retirement health care benefits. This amount represents 75.23% of total contributions under the program. These amounts are not accrued over the employees' time of service, but are rather expensed when incurred. There were no significant reductions in insurance coverage from prior years, nor have settlements exceeded insurance coverage for the past three years.

NOTE IX - OPERATING LEASES

The County has various long-term non-cancelable operating lease agreements for property and equipment, which expire through fiscal year 2008. Total costs for such leases were \$4,446,085 for fiscal year 2003. Property leases generally provide renewal options and increases based on the Consumer Price Index. The Component Unit-Schools has no operating lease agreements as of June 30, 2003. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2003:

| <u>Fiscal Year</u> | <u>Primary Government</u> |
|---------------------------|----------------------------------|
| 2004 | \$4,253,213 |
| 2005 | 3,455,522 |
| 2006 | 3,025,206 |
| 2007 | 1,530,595 |
| 2008 | 1,446,493 |
| <u>Total</u> | <u>\$13,711,029</u> |

NOTE X - CAPITAL LEASES

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2003.

| Fiscal Year | Primary Government | Component Unit - Schools |
|------------------------------------|---------------------------|---------------------------------|
| 2004 | \$ 1,159,791 | \$ 5,131,500 |
| 2005 | 1,385,587 | 4,005,445 |
| 2006 | 1,388,088 | 2,792,018 |
| 2007 | 1,388,787 | 1,683,614 |
| 2008 | 1,602,687 | 1,683,614 |
| 2009-2013 | 13,587,518 | -0- |
| 2014-2018 | 12,134,250 | -0- |
| 2019-2022 | 3,197,250 | -0- |
| Sub-Total | \$35,843,958 | \$15,296,191 |
| Less-amounts representing interest | 11,383,958 | 1,006,831 |
| Capital lease obligations | \$24,460,000 | \$14,289,360 |

Capital leases payable as of June 30, 2003, are composed of the following individual items.

| Primary Government | | | | | |
|---------------------------|-----------------------|------------------------|----------------------|------------------------------|--|
| Date Issued | Final Maturity | Amount of Issue | Interest Rate | Balance June 30, 2003 | Type of Project Financed (the assets acquired secure the related capital lease) |
| 09/15/90 | Apr 2011 | \$ 8,695,000 | 7.12% | \$2,930,000 | Library Facility |
| 06/17/03 | Mar 2019 | 21,530,000 | Variable | 21,530,000 | Government Complex |
| Total | | \$30,225,000 | | \$24,460,000 | |

| Component Unit – Schools | | | | | |
|---------------------------------|-----------------------|------------------------|----------------------|------------------------------|--|
| Date Issued | Final Maturity | Amount of Issue | Interest Rate | Balance June 30, 2003 | Type of Project Financed (the assets acquired secure the related capital lease) |
| 08/31/99 | Aug 2003 | 4,498,284 | 4.43% | \$1,011,360 | School Equipment |
| 07/27/00 | July 2004 | 5,670,000 | 5.17% | 2,268,000 | School Equipment |
| 08/02/01 | Aug. 2005 | 5,350,000 | 3.54% | 3,210,000 | School Equipment |
| 08/30/02 | Aug. 2007 | 7,800,000 | 2.56% | 7,800,000 | School Equipment |
| Total | | \$23,318,284 | | \$14,289,360 | |

NOTE XI – LONG TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Primary Government and Schools for the year ended June 30, 2003:

| | Primary Government | | | | |
|---|--------------------------|----------------------|---------------------|--------------------------|-----------------------------------|
| | Balance June 30, 2002 | Additions | Reductions | Balance June 30, 2003 | Amounts Due Within One Year |
| General obligation bonds and loans payable | \$416,306,645 | \$201,340,000 | \$51,836,359 | \$565,810,286 | \$43,833,197 |
| Capital leases | 27,755,000 | 21,530,000 | 24,825,000 | 24,460,000 | 280,000 |
| Compensated absences | 9,263,353 | 857,629 | -0- | 10,120,982 | 10,120,982 |
| Landfill closure and postclosure care costs | 17,263,881 | 274,653 | -0- | 17,538,534 | -0- |
| Total – Primary Government | \$470,588,879 | \$224,002,282 | \$76,661,359 | \$617,929,802 | \$54,234,179 |

| | Component Unit – Schools | | | | |
|---|--------------------------|--------------------|--------------------|--------------------------|-----------------------------------|
| | Balance June 30, 2002 | Additions | Reductions | Balance June 30, 2003 | Amounts Due Within One Year |
| Capital leases | \$9,800,661 | \$7,800,000 | \$3,311,301 | \$14,289,360 | \$4,700,145 |
| Compensated absences | 8,528,721 | 1,713,203 | -0- | 10,241,924 | 10,241,924 |
| Total – Component Unit – Schools | \$18,329,382 | \$9,513,203 | \$3,311,301 | \$24,531,284 | \$14,942,069 |

Long-term obligations of governmental activities are generally liquidated by the general fund.

Bonds and loans payable as of June 30, 2003, are as follows:

General Obligation Bonds:

| | |
|--|------------|
| \$1,000,000 School Construction Bonds, Series 1990A, due in annual installments of \$50,000 through December 2003, interest at 9.2%. The proceeds of these bonds were used for school improvements. | \$50,000 |
| \$36,660,000 Public Improvement Bonds, Series 1993, due in annual installments from \$640,000 to \$2,775,000 through 2013, interest from 2.80% to 5.50%. The proceeds of these bonds were used for sanitary landfill (\$11,285,000) park land (\$190,000) and refunding of outstanding bonds (\$25,185,000). | 17,060,000 |
| \$22,445,000 Public Improvement Bonds, Series 1994, due in annual installments from \$1,120,000 to \$1,125,000, through 2014, interest from 4.50% to 5.10%. The proceeds of these bonds were used for construction and equipping of new schools. | 13,465,000 |
| \$16,665,000 School Construction Bonds, Series 1994B, due in annual installments from \$710,000 to \$865,000 through 2013, interest from 6.10% to 6.30%. The proceeds of these bonds were used for new school construction as well as improvements in existing schools. | 9,385,000 |
| \$18,115,000 School Construction Bonds, Refunding Series 1994A due in annual installments of \$225,000 to \$1,195,000 through 2011, interest from 5.5% to 8.6%. The proceeds of these bonds were used to refinance four bond issues from 1987, 1989, 1990 and 1991. | 7,570,000 |
| \$30,700,000 Public Improvement Bonds, Series 1996A, due in annual installments of \$1,535,000 through 2016, interest from 4.70% to 6.70%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County. | 9,210,000 |
| \$10,000,000 School Construction Bonds, Series 1997A, due in annual installments of | |

| | |
|---|------------|
| \$394,000 to \$1,045,000 through 2018, interest from 5.10% to 6.10%. The proceeds of these bonds were used for new school and technology construction. | 7,500,000 |
| \$44,325,000 Public Improvement Bonds, Series 1997A, due in annual installments of \$2,215,000 to \$2,220,000 through 2017, interest from 4.30% to 6.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County and the development, construction and equipping of a Senior Services Center. | 33,245,000 |
| \$39,770,000 Public Improvement Bonds, Series 1998A, due in annual installments of \$1,460,000 to \$2,965,000 through 2019, interest from 4.00% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County. | 27,910,000 |
| \$10,105,000 Public Improvement Bonds, Series 1998B, due in annual installments of \$30,000 to \$1,910,000 through 2016, interest from 4.00% to 5.25%. The proceeds of these bonds were used for the refunding of outstanding bonds originally issued in 1989, 1993 and 1996. | 9,545,000 |
| \$20,235,000 School Construction Bonds, Series 1999A, due in annual installments of \$1,010,000 to \$1,015,000 through 2020, interest from 4.10% to 5.23%. The proceeds of these bonds were used for new school and technology construction. | 17,190,000 |
| \$10,000,000 Public Improvement Bonds, Series 1999B, due in annual installments of \$100,000 to \$900,000 through 2020, interest from 3.60% to 5.40%. The proceeds of these bonds were used to finance the acquisition, construction and equipping of a public school in the County. | 8,800,000 |
| \$58,825,000 Public Improvement Bonds, Series 1999C, due in annual installments of \$1,540,000 to \$4,905,000 through 2020, interest from 4.50% to 5.75%. The proceeds of these bonds were used to finance the acquisition, construction and equipping of public schools in the County, the design, construction and equipping of a renovation and addition to the County's animal shelter and the renovation and expansion of the County's emergency communications systems. | 37,360,000 |
| \$3,020,000 School Construction Bonds, Series 2000A, due in annual installments of \$150,000 to \$155,000 through 2021, interest from 5.10% to 6.35%. The proceeds of these bonds were used to finance the design, construction and equipping of a gymnasium and addition to an existing elementary school in the County. | 2,710,000 |
| \$60,000,000 Public Improvement Bonds, Series 2000B, due in annual installments of \$2,650,000 to \$3,650,000 through 2021, interest from 4.48% to 5.38%. The proceeds of these bonds were used to finance the acquisition, construction and renovation and equipping of public schools in the County, the County's fire and rescue training center and replacement of the burn building, and enhancing the automated systems of the County libraries. | 52,700,000 |
| \$12,060,000 School Construction Bonds, Series 2001A, due in annual installments of \$600,000 to \$605,000 through 2021, interest from 4.10% to 5.60%. The proceeds of these bonds were used to finance the design, construction and equipping of an elementary school in the County. | 11,455,000 |
| \$45,000,000 Public Improvement Bonds, Series 2001B, due in annual installments of \$1,535,00 to \$3,575,00 through 2021, interest from 4.00% to 5.25%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County and two of the County's libraries and to enhance the automated systems of the County's libraries. | 37,855,000 |
| \$70,000,000 Public Improvement Bonds, Series 2001C, due in annual installments of \$3,010,000 to \$4,410,000 through 2021, interest from 3.25% to 5.25%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County, the County's fire and rescue training center and replacement of the burn building, two of the County's public safety centers and a County library. | 65,590,000 |
| \$90,625,000 Public Improvement Bonds, Series 2002A, due in annual installments of \$3,125,000 to \$5,925,000, interest from 2.00% to 5.25%. \$74,000,000 of the proceeds of these bonds was used to finance the acquisition, construction, renovation | |

and equipping of public schools in the County and a public safety center in the County. \$16,625,000 of the proceeds of these bonds was used for the refunding of bonds originally issued in 1993, 1996 and 1999.

85,855,000

\$110,715,000 Public Improvement Bonds, Series 2003A, due in annual installments of \$4,985,000 to \$6,720,000, interest from 3.00% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation and equipping of public schools in the County, a fire/sheriff station, public libraries, and park and recreation facilities in the County.

110,715,000

Total General Obligation Bonds

\$565,170,000

Loan Payable

\$909,000 for loan in 1998 from the Virginia Water Facilities Revolving Loan Fund due in semi-annual installments of \$52,769 through 2009, at interest of 2.0%. The proceeds of this loan were used to correct failing septic system problems of properties immediately adjacent to the Town of Hamilton.

640,285

Total General Obligation Bonds and Loan Payable

\$565,810,285

Annual requirements to amortize long-term debt and related interest for the Primary Government is as follows:

| General Obligation Bonds and Loans Payable– Primary Government Debt Service | | |
|--|----------------------|----------------------|
| Year Ending June 30 | Principal | Interest |
| 2004 | \$43,833,197 | \$27,205,626 |
| 2005 | 43,760,067 | 24,854,682 |
| 2006 | 43,761,980 | 22,821,146 |
| 2007 | 42,223,930 | 20,744,876 |
| 2008 | 39,250,918 | 18,798,377 |
| 2009-2013 | 151,575,193 | 69,096,338 |
| 2014-2018 | 128,570,000 | 34,295,581 |
| 2019-2023 | 72,835,000 | 7,633,845 |
| Total | \$565,810,285 | \$225,450,471 |

This year and in prior years, the County defeased certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2003 \$45,325,000 of bonds outstanding are considered defeased. During the fiscal year, the County completed a refunding of certain general obligation bonds. \$16,625,000 of the Series 2002A bonds are used to advance refund \$1,980,000 of the Series 1993A bonds; \$6,140,000 of the Series 1996A bonds; and \$6,750,000 of the Series 1999C bonds. The cash flow difference is \$136,513 less in the refunding bonds. A net present value savings of \$488,272 resulted from the advance refunding.

NOTE XII - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its Woods Road landfill site, as well as other sites opened in the future when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care cost will be paid only near or after the date that the landfill stops accepting waste, GAAP requires that the County record a portion of these closure and postclosure care costs as a long-term liability in each period based on landfill capacity used as of each fiscal year end. The \$17,538,534 liability for landfill closure and postclosure care cost at June 30, 2003 represents the estimated liability based on the usage of 89.4% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care in the amount of \$2,079,513 as the remaining estimated capacity is used. The estimated remaining life of the landfill is 20 years. The liability accrued at June 30, 2003 is based on what it would cost to perform all closure and postclosure care in 2003. Actual cost may differ from this estimate due to inflation, changes in technology or changes in regulation.

NOTE XIII – CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the County. With respect to pending litigation, neither management nor the County

Attorney can predict the outcome of certain of those matters at this time or the ultimate liability should the County not be successful in defending its position. In actions for monetary damages, other than taxation matters, the County may have coverage through self-insurance plans managed by the Commonwealth of Virginia. However, it is possible that in the near term, losses may be realized on claims in excess of amounts included as other liabilities on the statement of net assets.

Due to the County's breadth of activities, there is a potential for environmental liability exposure to the County. The County has received notice from the Environmental Protection Agency regarding methane gas leakage from the County's landfill resulting in water contamination, and may be required to share in the cost of cleanup. Management believes, however, that the impact of potential environmental liabilities will not have a material affect on the financial position or results of operations of the County.

Additionally, the County has received a number of Federal and State grants. Although the County has been audited in accordance with the provisions of Office of Management and Budget Circular A-133, these grants remain subject to financial and compliance audits by the grantors or their representatives. Such audits could result in requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. The amount of expenditures which may be disallowed as a result of audits at some future date cannot be determined at this time; however, County management believes such amounts, if any, will not have a material affect on the financial position or results of operations of the County.

NOTE XIV - DEFERRED COMPENSATION PLAN

The Primary Government offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the "Plan"). The Plan is available to all employees and permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

The Plan's investments are not reported on the Primary Government's balance sheet as such funds are held in a trust, over which the Primary Government has limited oversight.

NOTE XV - RETIREMENT PLANS

(A) DEFINED BENEFIT PENSION PLAN

1. Plan Description

| | |
|-------------------------|---|
| Name of Plan: | Virginia Retirement System (VRS) |
| Identification of Plan: | Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan |
| Administering Entity: | Virginia Retirement System (VRS) |

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 with 5 years of service for participating law enforcement officers and firefighters) or at age 50 with 30 years of service (age 50 with 25 years of service for participating law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the System at P O Box 2500, Richmond, Va 23218-2500.

2. Funding Policy

Employees are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed both by the County and the School Board for their respective employees. If an employee leaves covered employment, the accumulated contributions plus interest earned may be refunded to the employee. Each participating employer is required by State statute to contribute the remaining amounts necessary to fund the System using the actuarial basis specified by the Code of Virginia (1950), as amended, and approved by the VRS Board of Trustees. State statute may be amended only by the Commonwealth of Virginia Legislature. Contributions made by the Primary Government and the Component Unit – Schools for their employees other than professional employees of the Schools represent 4.00% and 4.00%, respectively, of covered payroll for the fiscal year, while employee contributions represent 5% of current covered payrolls. Total contributions made by the Schools to the VRS Statewide teacher cost-sharing pool for professional employees of the Schools for the three fiscal years 2001, 2002 and 2003 were \$17,433,081, \$15,039,944 and \$19,335,203 respectively, and represented 12.54%, 8.66%, and 9.61% of the covered payroll, respectively.

3. Annual Pension Cost

For 2003, the Primary Government's and Component Unit-Schools' annual pension cost of \$8,737,136 and \$2,130,164 respectively, was equal to the Primary Government's and Component Unit-Schools' required and actual contributions. The required contribution was determined as part of the June 30, 2002 actuarial valuation using the entry age normal actuarial cost method. The amortization method used is a level percent, open method. The actuarial assumptions included (a) 8% investment rate of return, (b) projected salary increases of 4.25% to 6.10% per year, and (c) 3.0% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%.

The actuarial value of the Primary Government's and Component Unit-Schools' assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period.

Trend Information for Primary Government

| <u>Fiscal Year</u> <u>Ending</u> | <u>Annual Pension Cost</u> <u>(APC)</u> | <u>Percentage of APC</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> |
|-------------------------------------|--|--|---|
| June 30, 2003 | \$8,737,136 | 100% | \$0 |
| June 30, 2002 | \$7,998,183 | 100% | \$0 |
| June 30, 2001 | \$6,842,214 | 100% | \$0 |

Trend Information for Component Unit-Schools

| <u>Fiscal Year</u> <u>Ending</u> | <u>Annual Pension Cost</u> <u>(APC)</u> | <u>Percentage of APC</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> |
|-------------------------------------|--|--|---|
| June 30, 2003 | \$2,130,164 | 100% | \$0 |
| June 30, 2002 | \$1,975,031 | 100% | \$0 |
| June 30, 2001 | \$1,736,786 | 100% | \$0 |

(B) VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM

1. Plan Description

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan (the Plan). The Plan covers voluntary fire and rescue service members, who are not Primary Government employees, but who serve voluntarily with one of the Primary Government's volunteer fire and rescue companies. The Plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. Members who retire at or after age 55 with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to \$10 per month for each year of credited service earned after January 1, 1976, \$10 per month for each two years of credited service earned prior to January 1, 1976, with a maximum benefit of \$250 per month. The Plan has a total of 1,464 members; 8 members are in retirement status, 335 are former members with vested benefits, 53 are recently terminated members with non-vested benefits, 30 members are ineligible to participate, resulting in 1,038 active Plan participants for the year. The Loudoun County Board of Supervisors maintains the authority to establish and amend the benefit provisions of the Plan. The Plan is invested in a fixed annuity that pays 5.55%. The Plan does not issue a stand alone financial report. All required statements and disclosures are contained in these financial statements.

2. Funding Status and Progress

The Loudoun County Board of Supervisors maintains the authority to establish and amend the funding policy of the Plan. The Plan's funding policy provides for the periodic Primary Government contributions at actuarially determined rates to accumulate sufficient assets to pay benefits when due. Plan members are not required to and do not contribute to the Plan. Plan contributions are held in an unallocated insurance contract with Hartford Insurance Company.

3. Annual Pension Cost

The Primary Governments' contributions to the Plan were equal to the annual required contribution and annual pension cost for each year. The annual and required contribution was determined through a June 30, 2002 actuarial valuation using the entry age normal cost method. The amortization method used is a thirty year, level dollar, closed method. The actuarial assumptions included (a) 5.5% investment rate of return and (b) pre-retirement ancillary benefits of 7.5%. Both (a) and (b) include an inflation component of 2.5% to 3%. The actuarial value of the assets is equal to the market value of the assets.

Trend Information

| <u>Fiscal Year</u> <u>Ending</u> | <u>Annual Pension Cost</u> <u>(APC)</u> | <u>Percentage of APC</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> |
|-------------------------------------|--|--|---|
| June 30, 2003 | \$742,690 | 100% | \$0 |
| June 30, 2002 | \$783,590 | 100% | \$0 |
| June 30, 2001 | \$652,896 | 100% | \$0 |

NOTE XVI - DEFERRED REVENUE

Deferred revenue, representing taxes not yet due of \$191,469,083 uncollected delinquent tax billings of \$7,938,729, special assessment tax billings of \$115,646, business license tax billings of \$7,679,872, grants of \$2,315,343, not available for funding of current expenditures and miscellaneous revenue of \$1,420,392 totaled \$210,939,065 for both Primary Government and Schools as of June 30, 2003. Certain uncollected business license tax billings are being disputed and may not be collected.

Property taxes deferred as a result of land use assessments and tax relief for the elderly and handicapped are not reflected in the financial statements since collection is contingent upon occurrence of certain events prescribed by statute. These contingent amounts represent approximately \$65.7 million at June 30, 2003.

NOTE XVII - EXCESS EXPENDITURES OVER APPROPRIATIONS

- Broad Run Farms Sewer Improvements Fund expenditures for fiscal year 2003 were \$569,716, which exceeded its legal budget of \$144,688 by \$425,028. The taxes collected in this fund in excess of contracted payments were transferred to the capital projects fund to cover construction costs.
- The Hamilton Sewer Service District Fund expenditures for fiscal year 2003 were \$206,680, which exceeded its legal budget of \$168,780 by \$37,910. All taxes collected in this fund are committed to be distributed to the Town of Hamilton.
- The Rental Assistance Program Fund expenditures for fiscal year 2003 were \$6,888,436, which exceeded its legal budget of \$6,232,476 by \$655,960. Both revenues and expenditures exceeded the budget by like amounts. These federal revenues are equal to the expenses incurred in this fund.
- Transportation District Trust Fund expenditures for fiscal year 2003 were \$3,466,260, which exceeded its legal budget of \$3,170,154 by \$296,106. The expenditures in this fund are on a project length budget and did not exceed those approved project budgets.
- Uran Holocaust Trust Fund expenditures for fiscal year 2003 were \$101,513, which exceeded its legal budget of \$50,000 by \$51,513. The expenditures from this fund were approved by the Loudoun County Library Board.

NOTE XVIII - NONCURRENT NOTES AND LOANS RECEIVABLE - PRIMARY GOVERNMENT

Noncurrent notes and loans receivable consisted of the following at June 30, 2003.

| | |
|---------------------------------------|----------------------------|
| Notes and loans receivable | \$ 4,563,085 |
| Allowance for uncollectables | <u>(2,219,650)</u> |
| Net notes and loans receivable | <u>\$ 2,343,435</u> |

Of the gross amount of notes and loans receivable, \$2,259,527 represents loans made to volunteer fire and rescue companies in the County for the purchase of equipment or the renovation and expansion of the company's facilities. \$830,131 represents loans to towns in the County or The Loudoun County Sanitation Authority (LCSA) for the expansion of sewage services. Sewage connection fees are used to repay these loans. The remaining \$1,473,427 represents loans to individuals/families under the Affordable Housing Project.

NOTE XIX - SUBSEQUENT EVENT

On July 8, 2003 the County issued \$14,075,000 in general obligation refunding bonds. The proceeds of these bonds are being used to refund maturities of the County's Series 1993A general obligation bonds. The \$14,075,000 series 2003B bonds range in interest from 3.00% to 5.00% and are payable through 2009.

On December 10, 2003, the Industrial Development Authority of Loudoun County, Virginia issued \$35,000,000 of Public Safety Facility Lease Revenue Bonds for the County of Loudoun. The proceeds will be used to construct a new public safety administration building and a new adult detention center. The bonds range in interest from 1.15% to 4.58% and will mature serially from 2004 through 2023.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | Actual Amount | Variance with |
|--|-------------------------|----------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| Resources (Inflows) | | | | |
| General Property Taxes | \$ 347,578,300 | \$ 347,578,300 | \$ 360,156,149 | \$ 12,577,849 |
| Other Local Taxes | 65,929,337 | 65,929,337 | 67,194,707 | 1,265,370 |
| Permits and Licenses | 12,158,049 | 14,161,515 | 17,046,703 | 2,885,188 |
| Intergovernmental | 70,179,901 | 71,481,313 | 71,379,542 | (101,771) |
| Charges for Services | 11,621,035 | 12,129,691 | 13,113,359 | 983,668 |
| Fines and Forfeitures | 1,685,160 | 1,685,160 | 1,439,119 | (246,041) |
| Use of Money and Property | 3,713,827 | 3,811,886 | 2,791,621 | (1,020,265) |
| Recovered Costs | 4,617,714 | 5,366,484 | 5,433,695 | 67,211 |
| Gifts and Donations and Miscellaneous | 446,096 | 1,280,009 | 1,671,058 | 391,049 |
| Transfers from Other Funds | 835,497 | 1,114,516 | 974,541 | (139,975) |
| Amounts Available for Appropriation | 518,764,916 | 524,538,211 | 541,200,494 | 16,662,283 |
| Charges to Appropriations (Outflows) | | | | |
| General Government Administration | 29,418,135 | 39,990,984 | 32,856,620 | 7,134,364 |
| Judicial Administration | 8,039,299 | 8,399,668 | 8,141,065 | 258,603 |
| Public Safety | 67,098,901 | 63,070,842 | 60,165,015 | 2,905,827 |
| Public Works | 14,552,987 | 16,267,417 | 13,224,014 | 3,043,403 |
| Health and Welfare | 44,087,121 | 44,586,769 | 42,681,050 | 1,905,719 |
| Parks, Recreation and Culture | 28,053,892 | 27,925,510 | 24,455,835 | 3,469,675 |
| Community Development | 20,205,063 | 20,703,724 | 17,371,959 | 3,331,765 |
| Education and Transfers to School Board, net | 270,948,379 | 270,948,379 | 276,409,967 | (5,461,588) |
| Transfers to Other Funds | 74,140,841 | 76,652,585 | 70,256,384 | 6,396,201 |
| Total Charges to Appropriations | 556,544,618 | 568,545,878 | 545,561,909 | 22,983,969 |
| Excess (Deficiency) of Resources Over | | | | |
| Charges to Appropriations | (37,779,702) | (44,007,667) | (4,361,415) | 39,646,252 |
| Fund Balance at Beginning of Year | 92,381,656 | 92,381,656 | 92,381,656 | - |
| Fund Balance at End of Year | \$ 54,601,954 | \$ 48,373,989 | \$ 88,020,241 | \$ 39,646,252 |

See notes to budgetary comparison schedule.

NOTES TO BUDGETARY COMPARISON SCHEDULE
June 30, 2003

The following procedures are used by the County in establishing the budgetary data reflected in the budgetary comparison schedule.

1. Prior to March 30, the County Administrator submits a proposed operating and capital budget for the fiscal year, commencing on the following July 1, to the Board of Supervisors. The operating and capital budget includes proposed expenditures and the related financing.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the Fund level. The appropriation for each Fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within County general government funds.
5. Formal budgetary integration is employed at the character level within each department as a management control device during the year.
6. All budgets are adopted on a basis consistent with GAAP.

**COUNTY OF LOUDOUN, VIRGINIA
PUBLIC EMPLOYEE RETIREMENT SYSTEMS - PRIMARY GOVERNMENT
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS (Unaudited)

| | | (1) | (2) | (3) | (4) | (5) | (6) |
|---|--------------------------------|---------------------------------|--|--|------------------------------|------------------------------|--|
| | Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL (2) - (1)) | Funded Ratio (1) / (2) | Annual Covered Payroll | UAAL as a Percentage of Covered Payroll ((2)-(1)) / (5) |
| Volunteer Fire and Rescue Retirement System | 6/30/1998 | 5,229,000 | 7,266,000 | 2,037,000 | 71.97% | N/A | N/A |
| | 6/30/1999 | 5,674,000 | 7,631,000 | 1,957,000 | 74.35% | N/A | N/A |
| | 6/30/2000 | 6,584,000 | 8,475,000 | 1,891,000 | 77.69% | N/A | N/A |
| | 6/30/2001 | 7,071,000 | 9,321,000 | 2,250,000 | 75.86% | N/A | N/A |
| | 6/30/2002 | 7,482,000 | 9,643,000 | 2,161,000 | 77.59% | N/A | N/A |
| | 6/30/2003 | 8,221,000 | 10,445,000 | 2,224,000 | 78.71% | N/A | N/A |
| Virginia Retirement System | 6/30/1996 | 58,869,631 | 56,151,100 | (2,718,531) | 104.84% | 36,313,853 | -7.49% |
| | 6/30/1998 | 85,482,917 | 81,302,071 | (4,180,846) | 105.14% | 43,183,750 | -9.68% |
| | 6/30/1999 | 101,205,719 | 96,474,848 | (4,730,871) | 104.90% | 48,656,343 | -9.72% |
| | 6/30/2000 | 120,106,673 | 104,252,713 | (15,853,960) | 115.21% | 57,334,672 | -27.65% |
| | 6/30/2001 | 137,285,399 | 122,153,258 | (15,132,141) | 112.39% | 72,476,675 | -20.88% |
| | 6/30/2002 | 149,528,486 | 146,875,984 | (2,652,502) | 101.81% | 91,133,256 | -2.91% |

All six year-recommended trend information has been calculated using the Entry Age Normal actuarial cost method. Under the Entry Age Normal actuarial cost method, the actuarial present value of future benefits for each member is allocated for the members's pensionable compensation on a level basis between the entry age of the member and the estimated exit age. The portion of the present value of future benefits not provided for by the present value of future normal costs is called the actuarial accrued liability.

Analysis of dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading.

* Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of each plan's funding status on a going concern basis. Analysis of this percentage over time indicates whether the plan is financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

* Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited)

| General Employees | | | Volunteer Firefighter | | |
|-------------------|------------------------------------|---------------------------|-----------------------|------------------------------------|---------------------------|
| Actuarial Date | Annual Required Contribution | Percentage Contributed | Actuarial Date | Annual Required Contribution | Percentage Contributed |
| 6/30/1998 | 4,819,194 | 100% | 6/30/1998 | 721,111 | 100% |
| 6/30/1999 | 4,908,933 | 100% | 6/30/1999 | 725,334 | 100% |
| 6/30/2000 | 5,742,564 | 100% | 6/30/2000 | 799,815 | 100% |
| 6/30/2001 | 6,842,214 | 100% | 6/30/2001 | 652,896 | 100% |
| 6/30/2002 | 7,998,183 | 100% | 6/30/2002 | 783,590 | 100% |
| 6/30/2003 | 6,842,214 | 100% | 6/30/2003 | 731,938 | 100% |

**COUNTY OF LOUDOUN, VIRGINIA
PUBLIC EMPLOYEE RETIREMENT SYSTEMS - COMPONENT UNIT
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS (Unaudited)

| | | (1) | (2) | (3) | (4) | (5) | (6) |
|----------------------|-----------|------------|------------|-------------|-----------|------------|-----------------|
| | Actuarial | Actuarial | Actuarial | Unfunded | Funded | Annual | UAAL as a |
| | Valuation | Value of | Accrued | AAL | Ratio | Covered | Percentage of |
| | Date | Assets | Liability | (UAAL | (1) / (2) | Payroll | Covered Payroll |
| | | | (AAL) | (2) - (1) | | | ((2)-(1)) / (5) |
| School Board: | 6/30/1996 | 11,478,047 | 13,496,292 | 2,018,245 | 85.05% | 8,211,722 | 24.58% |
| Virginia Retirement | 6/30/1998 | 16,849,150 | 19,028,057 | 2,178,907 | 88.55% | 10,210,748 | 21.34% |
| System | 6/30/1999 | 19,675,543 | 20,487,648 | 812,105 | 96.04% | 11,313,639 | 7.18% |
| | 6/30/2000 | 23,544,746 | 20,727,670 | (2,817,076) | 113.59% | 13,193,813 | -21.35% |
| | 6/30/2001 | 27,148,809 | 25,379,887 | (1,768,922) | 106.97% | 16,749,346 | -10.56% |
| | 6/30/2002 | 29,589,089 | 29,783,214 | 194,125 | 99.35% | 20,068,557 | 0.97% |

All six year-recommended trend information has been calculated using the Entry Age Normal actuarial cost method. Under the Entry Age Normal actuarial cost method, the actuarial present value of future benefits for each member is allocated for the members's pensionable compensation on a level basis between the entry age of the member and the estimated exit age. The portion of the present value of future benefits not provided for by the present value of future normal costs is called the actuarial accrued liability.

Analysis of dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading.

* Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of each plan's funding status on a going concern basis. Analysis of this percentage over time indicates whether the plan is financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

* Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited)

| School Board | | |
|---------------------|---------------------|--------------------|
| Actuarial | Annual | Percentage |
| Date | Required | Contributed |
| | Contribution | |
| 6/30/1998 | 1,121,786 | 100% |
| 6/30/1999 | 1,275,579 | 100% |
| 6/30/2000 | 1,458,767 | 100% |
| 6/30/2001 | 1,736,786 | 100% |
| 6/30/2002 | 1,975,031 | 100% |
| 6/30/2003 | 2,130,164 | 100% |

OTHER SUPPLEMENTARY INFORMATION

General Fund

General Fund - This fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted in another fund.

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003
(With Comparative Actual Amounts for 2002)

| | 2003 | | Variance | 2002 |
|---|----------------|----------------|------------------------------------|----------------|
| | Budget | Actual | Favorable (Unfavorable) | Actual |
| REVENUES | | | | |
| From local sources: | | | | |
| <u>General property taxes:</u> | | | | |
| Real property taxes | \$ 265,721,300 | \$ 291,782,124 | \$ 26,060,824 | \$ 243,050,884 |
| Real and personal public service corporation property taxes | 8,150,000 | 9,317,009 | 1,167,009 | 8,028,395 |
| Personal property taxes | 70,337,000 | 54,889,372 | (15,447,628) | 54,523,305 |
| Machinery and tools taxes | 1,170,000 | 1,029,487 | (140,513) | 1,200,985 |
| Penalties and interest | 2,200,000 | 3,138,157 | 938,157 | 2,189,371 |
| Total general property taxes | 347,578,300 | 360,156,149 | 12,577,849 | 308,992,940 |
| <u>Other local taxes:</u> | | | | |
| Local sales and use taxes | 30,000,000 | 30,927,884 | 927,884 | 28,458,490 |
| Consumer utility taxes | 8,100,000 | 7,978,989 | (121,011) | 7,673,027 |
| Business license taxes | 16,488,670 | 15,357,422 | (1,131,248) | 14,006,729 |
| Franchise license taxes | 960,000 | 938,133 | (21,867) | 906,112 |
| Motor vehicle licenses | 3,700,000 | 3,726,207 | 26,207 | 3,497,731 |
| Bank franchise taxes | 215,000 | 293,148 | 78,148 | 221,760 |
| Taxes on recordation and wills | 5,032,000 | 6,834,446 | 1,802,446 | 4,733,740 |
| Hotel and motel room taxes | 1,433,667 | 1,138,478 | (295,189) | 1,126,428 |
| Total other local taxes | 65,929,337 | 67,194,707 | 1,265,370 | 60,624,017 |
| <u>Permits, privilege fees and regulatory licenses:</u> | | | | |
| Animal licenses | 56,000 | 63,381 | 7,381 | 61,947 |
| Permits and other licenses | 14,105,515 | 16,983,322 | 2,877,807 | 11,639,452 |
| Total permits, privilege fees and regulatory licenses | 14,161,515 | 17,046,703 | 2,885,188 | 11,701,399 |
| <u>Fines and forfeitures:</u> | | | | |
| Fines and forfeitures | 1,685,160 | 1,439,119 | (246,041) | 1,387,677 |
| Total fines and forfeitures | 1,685,160 | 1,439,119 | (246,041) | 1,387,677 |
| <u>Revenue from use of money and property:</u> | | | | |
| Revenue from use of money | 3,278,300 | 2,338,053 | (940,247) | 5,738,837 |
| Revenue from use of property | 533,586 | 453,568 | (80,018) | 415,199 |
| Total revenue from use of money and property | 3,811,886 | 2,791,621 | (1,020,265) | 6,154,036 |
| <u>Charges for services:</u> | | | | |
| Court costs | 2,313,586 | 2,801,226 | 487,640 | 1,907,570 |
| Financial services | 3,100 | 1,727 | (1,373) | 6,287 |
| Commonwealth's Attorney | - | 3,066 | 3,066 | 3,538 |
| Law enforcement and traffic control | 76,007 | 53,774 | (22,233) | 28,128 |
| Other protection | 58,240 | 49,392 | (8,848) | 44,399 |
| Maintenance of highways, bridges and sidewalks | 2,035 | 4,340 | 2,305 | 2,781 |
| Sanitation and waste removal | 656,500 | 943,332 | 286,832 | 783,818 |
| Health | 23,664 | 22,602 | (1,062) | 32,099 |
| Mental health and mental retardation | 554,602 | 670,051 | 115,449 | 629,608 |
| Welfare/social services | 264,801 | 383,345 | 118,544 | 238,465 |
| Parks and recreation | 6,838,285 | 6,893,903 | 55,618 | 5,699,268 |
| Library | 18,350 | 18,481 | 131 | 15,243 |
| Planning and community development | 1,320,521 | 1,268,120 | (52,401) | 929,925 |
| Total charges for services | 12,129,691 | 13,113,359 | 983,668 | 10,321,129 |
| <u>Miscellaneous revenue:</u> | | | | |
| Miscellaneous revenue | 1,104,119 | 1,283,587 | 179,468 | 289,319 |
| Gifts and Donations | 174,690 | 386,777 | 212,087 | 196,372 |
| Sales of capital assets | 1,200 | 694 | (506) | 4,659 |
| Total miscellaneous revenue | 1,280,009 | 1,671,058 | 391,049 | 490,350 |
| <u>Recovered costs:</u> | | | | |
| Recovered costs | 5,366,484 | 5,433,695 | 67,211 | 5,264,162 |
| Total recovered costs | 5,366,484 | 5,433,695 | 67,211 | 5,264,162 |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003
(With Comparative Actual Amounts for 2002)

| | 2003 | | | 2002 |
|--|-------------|-------------|--|-------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Total from local sources | 451,942,382 | 468,846,411 | 16,904,029 | 404,935,710 |
| From the Commonwealth: | | | | |
| <u>Non-categorical aid:</u> | | | | |
| ABC profits | 163,614 | 163,426 | (188) | 367,139 |
| Wine taxes | 185,080 | 151,321 | (33,759) | 190,375 |
| Motor vehicle carrier's taxes | 5,000 | 7,764 | 2,764 | 4,010 |
| Mobile home titling taxes | 10,000 | 3,510 | (6,490) | 6,655 |
| Taxes on deeds | 3,100,000 | 2,166,622 | (933,378) | 1,693,815 |
| Motor vehicle sales and use taxes | 5,400,000 | 4,726,862 | (673,138) | 4,747,101 |
| Reimbursement of personal property tax | 39,457,000 | 39,268,184 | (188,816) | 36,240,648 |
| Total non-categorical aid | 48,320,694 | 46,487,689 | (1,833,005) | 43,249,743 |
| <u>Shared expenses:</u> | | | | |
| Commonwealth's attorney | 566,647 | 475,227 | (91,420) | 563,501 |
| Sheriff | 5,872,165 | 6,400,553 | 528,388 | 5,945,190 |
| Commissioner of the Revenue | 271,212 | 272,940 | 1,728 | 251,212 |
| Treasurer | 366,720 | 333,090 | (33,630) | 322,706 |
| Medical Examiner | 10,433 | 1,050 | (9,383) | 450 |
| Registrar | 54,143 | 54,389 | 246 | 111,157 |
| Electoral Boards | 11,976 | 12,104 | 128 | 24,233 |
| Clerk of the Circuit Court | 632,930 | 619,989 | (12,941) | 638,123 |
| Family Court Services | 56,933 | - | (56,933) | - |
| Total shared expenses | 7,843,159 | 8,169,342 | 326,183 | 7,856,572 |
| <u>Categorical aid:</u> | | | | |
| Welfare/social services: | | | | |
| Parks and Recreation: | | | | |
| Local services to elderly | 7,331 | 6,331 | (1,000) | 29,242 |
| Fan care | 220 | - | (220) | 565 |
| Community Base Services | 22,042 | 22,042 | - | 13,337 |
| Nutritional services | 19,143 | 19,142 | (1) | 19,143 |
| Total Parks and Recreation | 48,736 | 47,515 | (1,221) | 62,287 |
| Social Services: | | | | |
| State and local hospital | - | 4,431 | 4,431 | - |
| General relief assistance | 67,010 | 376,098 | 309,088 | 77,713 |
| Foster care assistance | 209,176 | 165,171 | (44,005) | 131,480 |
| Supplemental to the aged, blind and disabled | 155,538 | 119,694 | (35,844) | 136,239 |
| Direct social services | 291,725 | - | (291,725) | - |
| General administration | 288,299 | - | (288,299) | - |
| CPS response system | - | - | - | (4,433) |
| Child health insurance program | - | - | - | 1,634 |
| Food Stamp Program | - | 188,051 | 188,051 | 173,149 |
| Temporary Assistance to Needy Family | 308,093 | 204,270 | (103,823) | 203,251 |
| Foster Care Assistance | 99,531 | 91,270 | (8,261) | 49,347 |
| Discretionary Grants | 10,914 | 9,960 | (954) | 9,742 |
| Child Care & Development | 507,540 | 654,590 | 147,050 | 537,903 |
| Family prevention and support services | - | 10,200 | 10,200 | 6,779 |
| Adoption Assistance | 65,332 | 57,979 | (7,353) | 56,365 |
| Medicaid Assistance | 1,836 | 101,621 | 99,785 | 99,748 |
| Detention Study | - | - | - | 15,000 |
| Respite care for foster families | - | 298 | 298 | - |
| Total Social Services | 2,004,994 | 1,983,633 | (21,361) | 1,493,917 |
| Total welfare/social services | 2,053,730 | 2,031,148 | (22,582) | 1,556,204 |
| Parks and recreation: | | | | |
| Regional Organization | | | | |
| Outdoor recreation | - | 5,000 | 5,000 | 5,000 |
| Total Regional Organization | - | 5,000 | 5,000 | 5,000 |
| Parks and Recreation | | | | |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003
(With Comparative Actual Amounts for 2002)

| | 2003 | | | 2002 |
|--|-----------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Outdoor recreation | 6,438 | (18,056) | (24,494) | 17,243 |
| Total Parks and Recreation | 6,438 | (18,056) | (24,494) | 17,243 |
| Total parks and recreation | 6,438 | (13,056) | (19,494) | 22,243 |
| Education: | | | | |
| Non-departmental: | | | | |
| Lottery proceeds for education | 2,610,000 | 2,825,068 | 215,068 | 3,565,023 |
| Total education | 2,610,000 | 2,825,068 | 215,068 | 3,565,023 |
| Total categorical aid | 4,670,168 | 4,843,160 | 172,992 | 5,143,470 |
| Other categorical aid: | | | | |
| Regional Organization - Museum: | | | | |
| Public transportation and ridesharing | - | - | - | 393,604 |
| Total Regional Organization - Museum | - | - | - | 393,604 |
| Clerk of Circuit Court: | | | | |
| Chancery papers - Processing | 18,964 | 18,964 | - | - |
| Chancery papers - Item conservation | 10,261 | 10,261 | - | - |
| Total Clerk of Circuit Court | 29,225 | 29,225 | - | - |
| Sheriff's Office: | | | | |
| Byrne | 1,250 | 615 | (635) | - |
| School resource officer | 46,734 | 13,612 | (33,122) | 14,117 |
| DMV safety seats | 500 | - | (500) | - |
| Total Sheriff's Office | 48,484 | 14,227 | (34,257) | 14,117 |
| Fire and Rescue: | | | | |
| EMS motor vehicle registration | 85,495 | 174,241 | 88,746 | 69,129 |
| Fire programs | 99,872 | - | (99,872) | 245,367 |
| Total Fire and Rescue | 185,367 | 174,241 | (11,126) | 314,496 |
| Office of Solid Waste Management: | | | | |
| Litter control | 55,415 | 26,670 | (28,745) | 30,734 |
| Total Office of Solid Waste Management | 55,415 | 26,670 | (28,745) | 30,734 |
| Transportation: | | | | |
| State formula assistance | 277,338 | 277,338 | - | 256,072 |
| Total Transportation | 277,338 | 277,338 | - | 256,072 |
| Library: | | | | |
| Public libraries | 262,250 | 222,912 | (39,338) | 286,701 |
| Total Library | 262,250 | 222,912 | (39,338) | 286,701 |
| Housing: | | | | |
| Housing Mini grants | - | - | - | 968 |
| Homeless intervention programs | 150,087 | 207,227 | 57,140 | 134,246 |
| Operation Match | 25,000 | 24,022 | (978) | 50,028 |
| Share Shelter Support | 19,249 | 12,302 | (6,947) | 12,910 |
| Virginia water quality improvement | 40,000 | 24,525 | (15,475) | 10,000 |
| Total Housing | 234,336 | 268,076 | 33,740 | 208,152 |
| Community Corrections: | | | | |
| Administration of justice services | 418,510 | 402,268 | (16,242) | 405,632 |
| Total Community Corrections | 418,510 | 402,268 | (16,242) | 405,632 |
| Mental Health and Mental Retardation: | | | | |
| Community residential services | 31,000 | 23,533 | (7,467) | 20,111 |
| Juvenile confinement | 43,000 | - | (43,000) | 43,000 |
| DBH Reimbursement | - | 2,703 | 2,703 | 737 |
| Alcohol abuse services | 399,560 | 434,016 | 34,456 | 464,738 |
| Mental health services | 753,628 | 849,861 | 96,233 | 785,504 |
| Mental retardation services | 319,244 | 337,654 | 18,410 | 414,946 |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003
(With Comparative Actual Amounts for 2002)

| | 2003 | | | 2002 |
|--|------------|------------|--|------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Residential-SMI | - | - | - | 209,475 |
| MR family support | 87,994 | 65,201 | (22,793) | 72,154 |
| NGRI | - | 1,000 | 1,000 | 10,000 |
| Children's mental health | 25,000 | - | (25,000) | 7,286 |
| Discharge assistance project | 141,194 | 253,039 | 111,845 | 253,039 |
| Early intervention | 3,125 | 3,125 | - | 3,125 |
| Mental health psychiatric staff | 12,948 | 12,948 | - | 12,948 |
| Children and adolescents with SED | 75,545 | 42,760 | (32,785) | 85,325 |
| Virginia incentive (SIG) | 58,934 | (4,816) | (63,750) | 4,817 |
| MR OBRA | 14,076 | 14,076 | - | 14,206 |
| Total Mental Health and Mental Retardation | 1,965,248 | 2,035,100 | 69,852 | 2,401,411 |
| Parks and Recreation: | | | | |
| Juvenile delinquency prevention | 59,219 | - | (59,219) | 59,219 |
| Care coordination program | 50,000 | 50,000 | - | 50,000 |
| Mt. Zion - DHR | - | - | - | 57,433 |
| Virginia tobacco settlement foundation | 141,162 | 64,436 | (76,726) | 21,208 |
| Total Parks and Recreation | 250,381 | 114,436 | (135,945) | 187,860 |
| Family Court Services: | | | | |
| Juvenile confinement | 197,586 | 101,389 | (96,197) | 198,528 |
| Total Family Court Services | 197,586 | 101,389 | (96,197) | 198,528 |
| Social Services: | | | | |
| JDC Block Grant | 603,346 | 605,989 | 2,643 | 767,743 |
| Juvenile confinement | 173,003 | 102,236 | (70,767) | 172,657 |
| Total Social Services | 776,349 | 708,225 | (68,124) | 940,400 |
| Extension Services: | | | | |
| Gypsy Moth Control | 2,000 | - | (2,000) | 651 |
| Total Extension Services | 2,000 | - | (2,000) | 651 |
| Total other categorical aid | 4,702,489 | 4,374,107 | (328,382) | 5,638,358 |
| Total from the Commonwealth | 65,536,510 | 63,874,298 | (1,662,212) | 61,888,143 |
| From the Federal government: | | | | |
| <u>Payments in lieu of taxes:</u> | | | | |
| Non-departmental: | | | | |
| Federally owned entitlement lands | 900 | 1,741 | 841 | 2,968 |
| Total payments in lieu of taxes | 900 | 1,741 | 841 | 2,968 |
| <u>Non-categorical aid:</u> | | | | |
| Social Services: | | | | |
| Job training partnership act | - | - | - | 10,876 |
| Total non-categorical aid | - | - | - | 10,876 |
| <u>Categorical aid:</u> | | | | |
| Welfare/social services: | | | | |
| Park and Recreation: | | | | |
| Programs for the aging-Title III-F | 4,762 | 5,759 | 997 | 4,576 |
| Programs for the aging-Title III-C | 53,844 | 53,845 | 1 | 53,078 |
| Programs for the aging-Title III-B | 60,311 | 55,198 | (5,113) | 46,265 |
| Demonstrations VICAP | 8,808 | 9,289 | 481 | 6,048 |
| Senior community service employment | 12,268 | 12,268 | - | 12,268 |
| Retired seniors' volunteer program | 28,274 | 28,274 | - | 28,687 |
| Programs for the aging-Title IV | 698 | 698 | - | 662 |
| Total Park and Recreation | 168,965 | 165,331 | (3,634) | 151,584 |
| Social Services: | | | | |
| Temporary Assistance to Needy Families | 779,629 | 663,950 | (115,679) | 358,606 |
| Other eligibility programs | 418,600 | - | (418,600) | - |
| Title IV | - | 211,682 | 211,682 | 364,114 |
| Child health insurance program | - | - | - | 3,171 |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003
(With Comparative Actual Amounts for 2002)

| | 2003 | | | 2002 |
|---|-----------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Juvenile accountability incentive | 46,886 | 46,579 | (307) | 23,690 |
| Child care for homeless children | 4,690 | 1,102 | (3,588) | 560 |
| Food Stamp Program | 37,500 | 555,970 | 518,470 | 518,683 |
| Refugee assistance | 9,500 | 230,448 | 220,948 | 8,569 |
| Foster care Assistance | 99,531 | 478,841 | 379,310 | 399,276 |
| Child Care Assistance | 749,375 | 681,439 | (67,936) | 874,102 |
| Discretionary Grants | 41,762 | 38,915 | (2,847) | 40,145 |
| Child Care and Development | 447,898 | 567,321 | 119,423 | 521,856 |
| Child Welfare Services | 43,764 | 45,988 | 2,224 | 33,894 |
| Adoption Assistance | 113,097 | 105,551 | (7,546) | 90,404 |
| Social Services Block Grant | 658,103 | 317,078 | (341,025) | 203,396 |
| Independent Living | 3,496 | 2,901 | (595) | 2,162 |
| Medicaid Assistance | (757) | 329,255 | 330,012 | 303,558 |
| Food Stamp Program | - | 9,319 | 9,319 | 12,381 |
| Block Grant | 88,178 | 341,395 | 253,217 | 328,346 |
| Emergency Assistance | 6,427 | 316,197 | 309,770 | 4,789 |
| Romania-US Against Child Abuse (Need catalog no.) | 4,021 | 2,477 | (1,544) | 66,280 |
| Adoption incentive payment | 4,890 | 4,901 | 11 | 2,657 |
| Respite care for foster families | 1,004 | 538 | (466) | - |
| Total Social Services | 3,557,594 | 4,951,847 | 1,394,253 | 4,160,639 |
| Total welfare/social services | 3,726,559 | 5,117,178 | 1,390,619 | 4,312,223 |
| Total categorical aid | 3,726,559 | 5,117,178 | 1,390,619 | 4,312,223 |
| <u>Other categorical aid:</u> | | | | |
| Commonwealth Attorney: | | | | |
| V-stop | 16,541 | 16,541 | - | 28,512 |
| Total Commonwealth Attorney | 16,541 | 16,541 | - | 28,512 |
| Sheriff's Office: | | | | |
| Drug Control and System Improvement | 41,250 | 72,467 | 31,217 | 33,122 |
| LLE block - Direct | 17,211 | 17,211 | - | 48,674 |
| Highway safety | 8,333 | 8,333 | - | 9,544 |
| Project Childsafe | - | 500 | 500 | - |
| Cops universal hiring program | 118,125 | 118,125 | - | 61,875 |
| FEMA disaster relief public | - | - | - | 53,415 |
| Federal motor carrier safety | 21,600 | 17,472 | (4,128) | - |
| LLE block - Pass-through | - | 18,339 | 18,339 | - |
| Total Sheriff's Office | 206,519 | 252,447 | 45,928 | 206,630 |
| General Services: | | | | |
| Highway Planning and Construction (ISTEA) | - | - | - | 7,994 |
| Total General Services | - | - | - | 7,994 |
| Building and Development: | | | | |
| Wetlands Mapping and Inventory | - | 7,807 | 7,807 | - |
| Streams Report NFWF | - | 25,000 | 25,000 | - |
| Total Building and Development | - | 32,807 | 32,807 | - |
| Fire and Rescue: | | | | |
| FEMA - Emergency management preparedness | 36,539 | 14,754 | (21,785) | 22,073 |
| Consumer product safety | 14,741 | (4,429) | (19,170) | 8,953 |
| FEMA disaster relief public | - | - | - | 32,594 |
| Total Fire and Rescue | 51,280 | 10,325 | (40,955) | 63,620 |
| Transportation: | | | | |
| Highway safety | 139,634 | 139,634 | - | 108,148 |
| Highway planning and construction | 38,400 | 38,400 | - | 9,600 |
| Total Transportation | 178,034 | 178,034 | - | 117,748 |
| Library: | | | | |
| Promotion of the humanities | 10,480 | 10,480 | - | - |
| Shared warmth read loud | - | - | - | 900 |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003
(With Comparative Actual Amounts for 2002)

| | 2003 | | | 2002 |
|--|--------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Total Library | 10,480 | 10,480 | - | 900 |
| Housing: | | | | |
| Housing-homeless | 168,338 | 155,546 | (12,792) | 162,104 |
| HOPWA | 57,634 | 70,491 | 12,857 | 63,224 |
| Housing-rental subsidy | 9,455 | 4,546 | (4,909) | 6,108 |
| Housing-assistance | 51,001 | (999) | (52,000) | 900 |
| Share Shelter Support | 45,076 | 52,022 | 6,946 | 32,236 |
| Housing Counseling Assistance | - | 2,700 | 2,700 | - |
| Total Housing | 331,504 | 284,306 | (47,198) | 264,572 |
| Community Corrections: | | | | |
| Criminal justice planning | 26,485 | 26,485 | - | - |
| Total Community Corrections | 26,485 | 26,485 | - | - |
| Mental Health and Mental Retardation: | | | | |
| Public Health and Social Services Emergency Fund | 119,178 | 119,178 | - | 7,233 |
| Terrorism FEMA crisis counseling | 45,840 | 438 | (45,402) | 61,564 |
| Prevention and Treatment of Drug Abuse | 259,486 | 429,406 | 169,920 | 451,742 |
| Early intervention-substance abuse | 247,441 | 194,359 | (53,082) | 105,581 |
| Path | 21,008 | 29,473 | 8,465 | 24,507 |
| Community Mental Health Services | 4,532 | 14,532 | 10,000 | 13,907 |
| MH Needs Assessment Grant | - | - | - | 4,580 |
| Mental Health Disaster Assistance and Emergency | 401,053 | 401,053 | - | 33,155 |
| Virginia incentive (SIG) | - | 63,751 | 63,751 | - |
| TOPPS | - | 1,250 | 1,250 | - |
| MH Child Development | - | 18,383 | 18,383 | - |
| Total Mental Health and Mental Retardation | 1,098,538 | 1,271,823 | 173,285 | 702,269 |
| Parks and Recreation: | | | | |
| Food distribution services | - | - | - | 38,339 |
| National Family Caregiver Support | 21,842 | 21,842 | - | 21,244 |
| Highway Planning and Construction (ISTEA) | 655 | 6,294 | 5,639 | 131,793 |
| Title II-Weekenders | 49,898 | 47,396 | (2,502) | 65,940 |
| Title V-YAS (Need catalog no.) | - | - | - | 62,404 |
| Girls, Inc | 65,000 | 38,389 | (26,611) | - |
| Nutrition Program for the Elderly | 38,155 | 38,155 | - | - |
| Recreation Trails Program | - | 24,494 | 24,494 | - |
| Total Parks and Recreation | 175,550 | 176,570 | 1,020 | 319,720 |
| Family Court Services: | | | | |
| COPS Universal Hiring Program | 90,953 | 90,953 | - | - |
| Total Family Court Services | 90,953 | 90,953 | - | - |
| Social Services: | | | | |
| Food distribution services | 21,500 | 25,594 | 4,094 | 26,159 |
| RHY basic center program | 9,960 | 9,960 | - | 21,295 |
| Total Social Services | 31,460 | 35,554 | 4,094 | 47,454 |
| Total other categorical aid | 2,217,344 | 2,386,325 | 168,981 | 1,759,419 |
| Total from the Federal government | 5,944,803 | 7,505,244 | 1,560,441 | 6,085,486 |
| Total Revenues | 523,423,695 | 540,225,953 | 16,802,258 | 472,909,339 |
| EXPENDITURES | | | | |
| <u>General government administration:</u> | | | | |
| Legislative: | | | | |
| Boards, commissions and committees | 1,158,306 | 1,012,724 | 145,582 | 674,309 |
| County administrator | 775,863 | 792,869 | (17,006) | 767,930 |
| General Services | 3,000 | 3,000 | - | 3,000 |
| Total legislative | 1,937,169 | 1,808,593 | 128,576 | 1,445,239 |
| General and financial administration: | | | | |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003
(With Comparative Actual Amounts for 2002)

| | 2003 | | | 2002 |
|--|------------|------------|--|------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Boards, commissions and committees | 107,993 | 53,010 | 54,983 | 30,386 |
| County administrator | 1,093,499 | 976,072 | 117,427 | 1,191,806 |
| Public Information & Volunteer Services | 421,010 | 321,013 | 99,997 | 346,675 |
| County attorney | 4,627,137 | 3,527,503 | 1,099,634 | 2,414,295 |
| Treasurer | 2,872,107 | 2,599,551 | 272,556 | 2,552,976 |
| Commissioner of the revenue | 2,035,305 | 1,874,408 | 160,897 | 1,721,849 |
| Management and budget services | 5,573,807 | 4,472,138 | 1,101,669 | 4,513,199 |
| Financial services | 4,669,216 | 4,453,797 | 215,419 | 4,217,382 |
| Information Technology | 12,283,840 | 10,624,331 | 1,659,509 | 11,332,555 |
| General Services | 1,994,326 | 1,430,873 | 563,453 | 1,521,388 |
| Nondepartmental | 1,637,305 | 76,682 | 1,560,623 | 40,080 |
| Total general and financial administration | 37,315,545 | 30,409,378 | 6,906,167 | 29,882,591 |
| Elections administration: | | | | |
| Boards, commissions and committees | 326,459 | 237,515 | 88,944 | 131,819 |
| General registrar | 320,429 | 309,717 | 10,712 | 327,226 |
| General Services | 91,382 | 91,417 | (35) | 94,707 |
| Total elections administration | 738,270 | 638,649 | 99,621 | 553,752 |
| Total general government administration | 39,990,984 | 32,856,620 | 7,134,364 | 31,881,582 |
| <u>Judicial administration:</u> | | | | |
| Courts: | | | | |
| Clerk of the circuit court | 3,158,948 | 3,362,652 | (203,704) | 2,074,712 |
| Sheriff | 1,506,518 | 1,469,670 | 36,848 | 1,342,729 |
| General Services | 552,531 | 407,225 | 145,306 | 386,899 |
| Courts (circuit and district) | 884,884 | 706,438 | 178,446 | 772,366 |
| Total courts | 6,102,881 | 5,945,985 | 156,896 | 4,576,706 |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | 2,296,787 | 2,195,080 | 101,707 | 2,089,285 |
| Total Commonwealth's attorney | 2,296,787 | 2,195,080 | 101,707 | 2,089,285 |
| Total judicial administration | 8,399,668 | 8,141,065 | 258,603 | 6,665,991 |
| <u>Public Safety:</u> | | | | |
| Law enforcement and traffic control: | | | | |
| Regional Organizations and contributions | 564,418 | 533,095 | 31,323 | 536,712 |
| Sheriff | 20,985,202 | 20,965,794 | 19,408 | 20,630,296 |
| General Services | 809,298 | 817,736 | (8,438) | 780,000 |
| Total law enforcement and traffic control | 22,358,918 | 22,316,625 | 42,293 | 21,947,008 |
| Fire and rescue services: | | | | |
| Boards, Commissions & Committees | 6,527 | 173 | 6,354 | 14,287 |
| General Services | 423,921 | 376,185 | 47,736 | 269,425 |
| Fire, rescue and emergency services | 21,614,277 | 20,385,098 | 1,229,179 | 18,068,961 |
| Total fire and rescue services | 22,044,725 | 20,761,456 | 1,283,269 | 18,352,673 |
| Corrections and detention: | | | | |
| Sheriff | 6,484,729 | 6,125,830 | 358,899 | 5,769,692 |
| General Services | 318,166 | 234,469 | 83,697 | 188,672 |
| Community court services | 958,313 | 808,544 | | 723,170 |
| Parks and recreation | 280,961 | 243,302 | 37,659 | 239,112 |
| Family court service unit | 862,588 | 790,946 | 71,642 | 647,247 |
| Social services | 1,975,092 | 1,821,685 | 153,407 | 1,783,072 |
| Total corrections and detention | 10,879,849 | 10,024,776 | 705,304 | 9,350,965 |
| Inspections: | | | | |
| Building & development | 6,004,068 | 5,498,938 | 505,130 | 5,744,480 |
| Total inspections | 6,004,068 | 5,498,938 | 505,130 | 5,744,480 |
| Other protection: | | | | |
| Sheriff | 2,575 | 2,100 | 475 | 950 |
| General Services | 68,000 | 74,080 | (6,080) | 66,349 |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003
(With Comparative Actual Amounts for 2002)

| | 2003 | | | 2002 |
|---|------------|------------|--|------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Animal control | 1,712,707 | 1,487,040 | 225,667 | 1,619,189 |
| Total other protection | 1,783,282 | 1,563,220 | 220,062 | 1,686,488 |
| Total public safety | 63,070,842 | 60,165,015 | 2,756,058 | 57,081,614 |
| <u>Public works:</u> | | | | |
| Maintenance of highways, bridges and sidewalks: | | | | |
| Regional Organizations and Contributions | - | - | - | 393,604 |
| General Services | 2,266,858 | 1,611,059 | 655,799 | 1,186,115 |
| Office of Transportation | 3,110,333 | 2,951,300 | 159,033 | 1,841,561 |
| Total maintenance of highways, streets, bridges and sidew | 5,377,191 | 4,562,359 | 814,832 | 3,421,280 |
| Sanitation and waste removal: | | | | |
| General Services | 77,013 | 53,496 | 23,517 | 31,007 |
| Office of Solid Waste Management | 2,505,073 | 2,040,686 | 464,387 | 2,180,915 |
| Total sanitation and waste removal | 2,582,086 | 2,094,182 | 487,904 | 2,211,922 |
| Maintenance of general buildings and grounds: | | | | |
| General Services | 8,308,140 | 6,567,473 | 1,740,667 | 7,408,678 |
| Total maintenance of general buildings and grounds | 8,308,140 | 6,567,473 | 1,740,667 | 7,408,678 |
| Total public works | 16,267,417 | 13,224,014 | 3,043,403 | 13,041,880 |
| <u>Health and Welfare:</u> | | | | |
| Health: | | | | |
| Boards, commissions and committees | 7,750 | 7,750 | - | 9,037 |
| Regional organizations | 184,245 | 184,245 | - | 183,240 |
| Health services | 3,529,446 | 3,350,797 | 178,649 | 2,900,803 |
| Total health | 3,721,441 | 3,542,792 | 178,649 | 3,093,080 |
| Mental health and mental retardation: | | | | |
| Boards, commissions and committees | 8,574 | 6,269 | 2,305 | 11,110 |
| General Services | 481,068 | 432,897 | 48,171 | 513,486 |
| Mental health and mental retardation | 19,833,125 | 18,597,854 | 1,235,271 | 17,272,887 |
| Total mental health and mental retardation | 20,322,767 | 19,037,020 | 1,285,747 | 17,797,483 |
| Property tax relief for the elderly/handicapped: | | | | |
| Nondepartmental | 500,000 | 2,086,333 | (1,586,333) | 1,192,119 |
| Total property tax relief-elderly/handicapped | 500,000 | 2,086,333 | (1,586,333) | 1,192,119 |
| Welfare/social services: | | | | |
| Boards, commissions and committees | 5,632 | 2,548 | 3,084 | 2,534 |
| Regional organizations and contributions | 442,008 | 422,589 | 19,419 | 672,269 |
| General Services | 923,998 | 731,761 | 192,237 | 640,999 |
| Housing services | 1,753,136 | 1,639,284 | 113,852 | 1,615,328 |
| Parks and recreation | 3,085,604 | 2,987,421 | 98,183 | 2,853,067 |
| Social services | 13,832,183 | 12,231,302 | 1,600,881 | 12,347,347 |
| Total welfare/social services | 20,042,561 | 18,014,905 | 2,027,656 | 18,131,544 |
| Total health and welfare | 44,586,769 | 42,681,050 | 1,905,719 | 40,214,226 |
| <u>Parks, recreation and culture:</u> | | | | |
| Parks and recreation: | | | | |
| Regional organizations | 667,393 | 667,393 | - | 633,997 |
| Information Technology | 75,727 | 18,978 | 56,749 | 83,019 |
| General Services | 971,375 | 342,626 | 628,749 | 298,259 |
| Parks and recreation | 17,242,209 | 15,450,628 | 1,791,581 | 15,331,900 |
| Total parks and recreation | 18,956,704 | 16,479,625 | 2,477,079 | 16,347,175 |
| Cultural enrichment: | | | | |
| Regional organizations and contributions | 378,816 | 383,816 | (5,000) | 356,306 |
| General services | 7,999 | - | 7,999 | - |
| Parks and recreation | 97,886 | 103,033 | (5,147) | 96,141 |
| Total cultural enrichment | 484,701 | 486,849 | (2,148) | 452,447 |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003
(With Comparative Actual Amounts for 2002)

| | 2003 | | | 2002 |
|--|----------------------|----------------------|--|----------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Library: | | | | |
| Boards, commissions and committees | 1,747 | 984 | 763 | 1,203 |
| General Services | 354,723 | 280,499 | 74,224 | 230,896 |
| Library services | 8,127,635 | 7,207,878 | 919,757 | 7,389,453 |
| Total library | 8,484,105 | 7,489,361 | 994,744 | 7,621,552 |
| Total parks, recreation and culture | 27,925,510 | 24,455,835 | 3,469,675 | 24,421,174 |
| <u>Community development:</u> | | | | |
| Planning and community development: | | | | |
| Boards, commissions and committees | 225,822 | 184,571 | 41,251 | 191,662 |
| County Administrator | 410,299 | 280,230 | 130,069 | 334,239 |
| Regional organizations | 392,462 | 392,462 | - | 495,264 |
| General Services | 1,291,906 | 1,199,038 | 92,868 | 1,485,665 |
| Building & Development | 9,341,332 | 7,948,580 | 1,392,752 | 7,257,542 |
| Planning, zoning and community development | 2,690,481 | 1,992,421 | 698,060 | 2,636,064 |
| Economic Development | 1,956,318 | 1,489,702 | 466,616 | 1,351,647 |
| Office of mapping and geographic information | 1,906,859 | 1,594,477 | 312,382 | 1,569,021 |
| Office of Transportation | 448,588 | 390,568 | 58,020 | - |
| Total planning and community development | 18,664,067 | 15,472,049 | 3,192,018 | 15,321,104 |
| Environmental management: | | | | |
| Boards, commissions, and committees | 217,716 | 452,726 | (235,010) | 445,571 |
| Office of Solid Waste Management | 1,090,472 | 784,900 | 305,572 | 697,839 |
| Total environmental management | 1,308,188 | 1,237,626 | 70,562 | 1,143,410 |
| Cooperative extension program: | | | | |
| Public Information & Volunteer Services | 266,356 | 216,210 | 50,146 | 187,117 |
| General Services | 40,380 | 33,923 | 6,457 | 32,918 |
| Extension services | 424,733 | 412,151 | 12,582 | 420,345 |
| Total cooperative extension program | 731,469 | 662,284 | 69,185 | 640,380 |
| Total community development | 20,703,724 | 17,371,959 | 3,331,765 | 17,104,894 |
| <u>Education:</u> | | | | |
| Community colleges: | | | | |
| Regional organizations | 187,111 | 187,111 | - | 172,703 |
| Total community colleges | 187,111 | 187,111 | - | 172,703 |
| Total education | 187,111 | 187,111 | - | 172,703 |
| Total Expenditures | 221,132,025 | 199,082,669 | 21,899,587 | 190,584,064 |
| Excess of revenues over expenditures | 302,291,670 | 341,143,284 | 38,701,845 | 282,325,275 |
| Other financing sources (uses): | | | | |
| Transfers-in | 1,114,516 | 974,541 | (139,975) | 2,883,031 |
| Transfers-out | (76,652,585) | (70,256,384) | 6,396,201 | (74,978,026) |
| Operating transfers in-component unit | - | 331,269 | 331,269 | 670,750 |
| Operating transfers out-component unit | (270,761,268) | (276,554,125) | (5,792,857) | (225,758,031) |
| Total other financing sources (uses) | (346,299,337) | (345,504,699) | 794,638 | (297,182,276) |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | (44,007,667) | (4,361,415) | 39,646,252 | (14,857,001) |
| Fund balances at beginning of year | 92,381,656 | 92,381,656 | - | 107,238,657 |
| Fund balances at end of year | \$ 48,373,989 | \$ 88,020,241 | \$ 39,646,252 | \$ 92,381,656 |

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Route 28 Special Improvements Fund - This fund is used to account for the proceeds from the Route 28 Transportation Taxing District and are legally restricted to expenditures for transportation in that district.

Broad Run Farms Sewer Improvements Fund - This fund is used to account for the proceeds from the Broad Run Farms Sewer Taxing District and are legally restricted to expenditures for sewers in that district.

Aldie Sewer Service District Fund - This fund is used to account for the proceeds from the Aldie Sewer Service Taxing District and are legally restricted to expenditures for sewers in that district.

Comprehensive Services Act Fund - This fund is used to account for the general operations of the County's Comprehensive Services for At-Risk Youth and Families. Financing is provided primarily by transfers from General Fund and from State grants.

Community Development Fund - This fund is used to account for the operations of the Community Development Block Grant program. Financing is provided by the Federal grant to be used only for community development purposes.

Legal Resource Center Fund - This fund is used to account for the operations of the Law Library. Financing is provided through writ assessments and other contributions.

Federally Forfeited Property Fund - This fund is used to account for the proceeds from confiscated property and are restricted to use for law enforcement purposes.

Hotel and Motel Room Tax Fund - This fund is used to account for 3% of the 5% Transient Occupancy Tax collected from lodging facilities in the County. These funds are used to promote tourism in the County.

County-Wide Sewer Service District Fund - This fund is used to account for the proceeds from the Virginia Resources Authority and are legally restricted to expenditures for small water facility projects in the County.

Hamilton Sewer Service District Fund - This fund is used to account for the proceeds from the Hamilton Sewer Service Taxing District and are legally restricted to expenditures for sewers in that district.

Community Development Authority Fund - This fund is designed to collect a special assessment on real property for the purpose of paying debt service to finance and construct public infrastructure at the Dulles Town Center development.

Purchase of Development Rights Fund - This fund is used to account for the County-managed Purchase of Development Rights program. These funds are used to enter agreements with landowners to purchase development rights of their property.

Emergency 911 Fund - This fund is used to account for the operations of the County's Emergency Communications Center. Financing is provided by local fees and charges, State funding and transfers from the General Fund.

Rental Assistance Fund - This fund is used to account for proceeds received from the U.S. Department of Housing and Urban Development (HUD) so the County can act as direct administrator for the Section 8 Rental Assistance Program.

Public Transportation Fund - This fund is used to account for the County's share of construction costs associated with Phases II and III of the Dulles Transit Project. These funds are restricted to this project.

Revenue Maximization Fund - This fund is designed to secure additional Federal revenue for local social service activities. The new funds cannot be used to supplant other funds. These funds cannot be substituted for existing financial commitments on the part of state and local government.

State and Local Emergency Preparedness - The State and Local Emergency Preparedness (SLEP) Program is available through a Department of Defense grant. These SLEP funds will be used to acquire equipment needed to adequately respond to incidents of terrorism. The County's funds will be used to expand the Mobile Data Terminal Program to improve communication capabilities for public safety personnel.

Public Facilities Trust Fund - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for any public facility or service purposes.

Sheriff's Trust Fund - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for law enforcement purposes.

Animal Shelter Trust Fund - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the animal shelter.

Housing Trust Fund - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for affordable housing in the County.

Transportation District Trust Fund - This fund is used to account for monies collected as local gas sales tax, restricted to use for transportation purposes.

Environmental Trust Fund - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to the use for environmentally sensitive purposes.

Uran Holocaust Trust Fund - This fund is used to account for monies provided by a private donor, restricted to use for the purchase of educational holocaust materials in the libraries.

Beautification Trust Fund - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the planting of trees on the Route 15 bypass.

Horton Program For The Arts Trust Fund - This fund is used to account for monies provided by private donors, restricted to use for the funding of cultured and arts programs at the Eastern Loudoun Regional Library.

Capital Funds

Capital funds are used to account for the acquisition, construction or replacement of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Projects Fund - This fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment and other long-lived improvements for the general government. Financing is provided primarily by bond issues, State and Federal grants and transfers from the General Fund.

Capital Asset Replacement Fund - This fund is used to account for the repair and/or replacement of major capital facilities, including buildings, major equipment and other long-lived improvements for the general government. Financing is provided primarily by transfers from the General Fund.

Permanent Fund

Peabody Trust Fund - This fund is used to account for monies provided through a private donor, the corpus of which is nonexpendable. The interest earned on fund assets may be used only for school expenses.

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
AS OF JUNE 30, 2003**

| | Special Revenue Funds | | | | | |
|--|--|---|---|---|----------------------------------|--------------------------------------|
| | Route 28 Special Improvements | Broad Run Farms Sewer Improvements | Aldie Sewer Service District | Comprehensive Services Act | Community Development | Legal Resource Center |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 2,146,963 | \$ 563,403 | \$ 39,965 | \$ 1,250,511 | \$ 16,280 | \$ 10,556 |
| Cash and Investments with Fiscal Agents | - | - | - | - | - | - |
| Receivables, Net: | | | | | | |
| Taxes | 86,171 | 12,910 | 8,913 | - | - | - |
| Accounts | - | - | - | - | - | - |
| Due from Other Governments | - | - | - | 1,532,921 | - | - |
| Advances to Employees | - | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - | 454 |
| Total Assets | \$ 2,233,134 | \$ 576,313 | \$ 48,878 | \$ 2,783,432 | \$ 16,280 | \$ 11,010 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 2,146,963 | \$ - | \$ - | \$ 549,709 | \$ - | \$ - |
| Accrued Liabilities | - | - | - | - | - | - |
| Prepaid Revenue | 1,599 | 13 | - | - | - | - |
| Deferred Revenue | 86,171 | 12,910 | 8,913 | - | - | - |
| Due to Other Funds | - | - | - | 916,923 | 10,928 | - |
| Other Liabilities | - | - | - | - | 17,741 | - |
| Total Liabilities | 2,234,733 | 12,923 | 8,913 | 1,466,632 | 28,669 | - |
| Fund Balances: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | - | - | - | - | - | - |
| Prepaid | - | - | - | - | - | 454 |
| Permanent Fund-Expendable | - | - | - | - | - | - |
| Permanent Fund-Nonexpendable | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | |
| Special Revenue Funds: | | | | | | |
| Designated for Fiscal Cash Liquidity | - | - | - | 360,000 | - | - |
| Undesignated | (1,599) | 563,390 | 39,965 | 956,800 | (12,389) | 10,556 |
| Capital Project Funds: | | | | | | |
| Designated for Capital Appropriation: | - | - | - | - | - | - |
| Total Fund Balances | (1,599) | 563,390 | 39,965 | 1,316,800 | (12,389) | 11,010 |
| Total Liabilities and Fund Balances | \$ 2,233,134 | \$ 576,313 | \$ 48,878 | \$ 2,783,432 | \$ 16,280 | \$ 11,010 |

| Federally Forfeited Property | Hotel and Motel Room Tax | County-Wide Sewer Service District | Hamilton Sewer Service District | Community Development Authority | Purchase of Development Rights | Emergency 911 Fees | Rental Assistance Program | Public Transportation Fund |
|------------------------------------|--------------------------------|--|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------|---------------------------------|----------------------------------|
| \$ 148,051 | \$ 93,552 | \$ 471,645 | \$ 201,284 | \$ 1,144,869 | \$ 5,179,325 | \$ 3,777,916 | \$ 100,906 | \$ 32,964 |
| - | - | - | - | - | - | - | - | - |
| - | 363,167 | - | 7,651 | - | - | - | - | - |
| - | - | - | - | - | - | - | 598 | - |
| - | - | - | - | - | - | 20,704 | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 537,741 | - |
| <u>\$ 148,051</u> | <u>\$ 456,719</u> | <u>\$ 471,645</u> | <u>\$ 208,935</u> | <u>\$ 1,144,869</u> | <u>\$ 5,179,325</u> | <u>\$ 3,798,620</u> | <u>\$ 639,245</u> | <u>\$ 32,964</u> |
| \$ 1,099 | \$ - | \$ 12,613 | \$ 34,367 | \$ - | \$ - | \$ 74,983 | \$ 2,491 | \$ - |
| - | - | - | - | - | - | 72,862 | 16,982 | - |
| - | - | - | 315 | - | - | - | - | - |
| - | - | 459,032 | 7,651 | - | - | - | 8,909 | - |
| - | 546,317 | - | - | - | - | 747,787 | 489,920 | - |
| 12,166 | - | - | - | - | - | - | 120,943 | - |
| <u>13,265</u> | <u>546,317</u> | <u>471,645</u> | <u>42,333</u> | <u>-</u> | <u>-</u> | <u>895,632</u> | <u>639,245</u> | <u>-</u> |
| 16,715 | - | - | - | - | - | 572,458 | - | - |
| - | - | - | - | - | - | - | 537,741 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 350,000 | - | - |
| 118,071 | (89,598) | - | 166,602 | 1,144,869 | 5,179,325 | 1,980,530 | (537,741) | 32,964 |
| - | - | - | - | - | - | - | - | - |
| <u>134,786</u> | <u>(89,598)</u> | <u>-</u> | <u>166,602</u> | <u>1,144,869</u> | <u>5,179,325</u> | <u>2,902,988</u> | <u>-</u> | <u>32,964</u> |
| <u>\$ 148,051</u> | <u>\$ 456,719</u> | <u>\$ 471,645</u> | <u>\$ 208,935</u> | <u>\$ 1,144,869</u> | <u>\$ 5,179,325</u> | <u>\$ 3,798,620</u> | <u>\$ 639,245</u> | <u>\$ 32,964</u> |

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
AS OF JUNE 30, 2003**

| | Special Revenue Funds | | | | | | |
|--|-----------------------|-------------------|---------------------|------------------|------------------|------------------|----------------------|
| | Revenue | State & Local | Public | Sheriff's | Animal | Housing | Transportation |
| | Maximization | Emergency | Facilities | Trust | Shelter | Trust | District |
| | | Preparedness | Trust | | Trust | | Trust |
| ASSETS | | | | | | | |
| Cash and Cash Equivalents | \$ 1,019,785 | \$ - | \$45,684,313 | \$ 24,273 | \$190,964 | \$418,002 | \$ - |
| Cash and Investments with Fiscal Agents | - | - | - | - | - | - | 13,490,143 |
| Receivables, Net: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Accounts | - | - | - | - | - | - | 623,285 |
| Due from Other Governments | - | 748,905 | - | - | - | - | - |
| Advances to Employees | - | - | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - | - | - |
| Total Assets | <u>\$ 1,019,785</u> | <u>\$ 748,905</u> | <u>\$45,684,313</u> | <u>\$ 24,273</u> | <u>\$190,964</u> | <u>\$418,002</u> | <u>\$ 14,113,428</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable | \$ 1,455 | \$ 34,637 | \$ 166,559 | \$ - | \$ - | \$ - | \$ 8,244 |
| Accrued Liabilities | 9,224 | - | - | - | - | - | - |
| Prepaid Revenue | - | - | - | - | - | - | - |
| Deferred Revenue | 1,009,106 | - | - | - | - | - | - |
| Due to Other Funds | - | 714,268 | - | - | - | - | 5,294,603 |
| Other Liabilities | - | - | 102,360 | - | - | - | - |
| Total Liabilities | <u>1,019,785</u> | <u>748,905</u> | <u>268,919</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,302,847</u> |
| Fund Balances: | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | 12,257 | 221,489 | 1,713 | 5,895 | - | - | 116,956 |
| Prepaid | - | - | - | - | - | - | - |
| Permanent Fund-Expendable | - | - | - | - | - | - | - |
| Permanent Fund-Nonexpendable | - | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | |
| Special Revenue Funds: | | | | | | | |
| Designated for Fiscal Cash Liquidity | - | - | - | - | - | - | - |
| Undesignated | (12,257) | (221,489) | 45,413,681 | 18,378 | 190,964 | 418,002 | 8,693,625 |
| Capital Project Funds: | | | | | | | |
| Designated for Capital Appropriation | - | - | - | - | - | - | - |
| Total Fund Balances | <u>-</u> | <u>-</u> | <u>45,415,394</u> | <u>24,273</u> | <u>190,964</u> | <u>418,002</u> | <u>8,810,581</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,019,785</u> | <u>\$ 748,905</u> | <u>\$45,684,313</u> | <u>\$ 24,273</u> | <u>\$190,964</u> | <u>\$418,002</u> | <u>\$ 14,113,428</u> |

| Environmental Trust | Uran Holocaust Trust | Beautification Trust | Horton Program For the Arts Trust | Capital Funds | | Permanent Fund Peabody Trust Fund | Total Other Governmental Funds |
|------------------------|-------------------------|-------------------------|---|----------------------|---------------------------------|--|---|
| | | | | Capital Projects | Capital Asset Replacement | | |
| \$ 1,488 | \$ 819,961 | \$ 6,143 | \$ 10,178 | \$ 40,007,845 | \$ 4,266,007 | \$ 47,726 | \$ 107,674,875 |
| - | - | - | - | 6,748,865 | 3,750 | - | 20,242,758 |
| - | - | - | - | - | - | - | 478,812 |
| - | - | - | - | - | - | - | 623,883 |
| - | - | - | - | 121,372 | - | - | 2,423,902 |
| - | - | - | - | 140 | - | 149 | 289 |
| - | 11,475 | - | - | - | - | - | 549,670 |
| <u>\$ 1,488</u> | <u>\$ 831,436</u> | <u>\$ 6,143</u> | <u>\$ 10,178</u> | <u>\$ 46,878,222</u> | <u>\$ 4,269,757</u> | <u>\$ 47,875</u> | <u>\$ 131,994,189</u> |
| \$ - | \$ 2,363 | \$ - | \$ - | \$ 1,503,448 | \$ 56,001 | \$ - | 4,594,932 |
| - | - | - | - | 840 | - | - | 99,908 |
| - | - | - | - | - | - | - | 1,927 |
| - | - | - | - | - | - | - | 1,592,692 |
| - | - | - | - | - | - | - | 8,720,746 |
| - | - | - | - | - | - | - | 253,210 |
| - | 2,363 | - | - | 1,504,288 | 56,001 | - | 15,263,415 |
| - | 21,928 | - | 27 | 7,784,545 | 595,388 | - | 9,349,371 |
| - | 11,475 | - | - | - | - | - | 549,670 |
| - | - | - | - | - | - | 12,154 | 12,154 |
| - | - | - | - | - | - | 35,721 | 35,721 |
| - | - | - | - | - | - | - | 710,000 |
| 1,488 | 795,670 | 6,143 | 10,151 | - | - | - | 64,866,101 |
| - | - | - | - | 37,589,389 | 3,618,368 | - | 41,207,757 |
| 1,488 | 829,073 | 6,143 | 10,178 | 45,373,934 | 4,213,756 | 47,875 | 116,730,774 |
| <u>\$ 1,488</u> | <u>\$ 831,436</u> | <u>\$ 6,143</u> | <u>\$ 10,178</u> | <u>\$ 46,878,222</u> | <u>\$ 4,269,757</u> | <u>\$ 47,875</u> | <u>\$ 131,994,189</u> |

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| | Special Revenue Funds | | | | | |
|--|--|---|---|---|----------------------------------|--------------------------------------|
| | Route 28 Special Improvements | Broad Run Farms Sewer Improvements | Aldie Sewer Service District | Comprehensive Services Act | Community Development | Legal Resource Center |
| REVENUES | | | | | | |
| General Property Taxes | \$ 5,741,259 | \$ 719,443 | \$ 34,775 | \$ - | \$ - | \$ - |
| Other Local Taxes | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 2,938,320 | - | - |
| Charges for Services | - | - | - | - | - | 24,823 |
| Use of Money and Property | - | - | - | - | - | - |
| Recovered Costs | - | - | - | 381,424 | - | - |
| Gifts and Donations | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total Revenues | <u>5,741,259</u> | <u>719,443</u> | <u>34,775</u> | <u>3,319,744</u> | <u>-</u> | <u>24,823</u> |
| EXPENDITURES | | | | | | |
| Current Operating: | | | | | | |
| Judicial Administration | - | - | - | - | - | 30,233 |
| Public Safety | - | - | - | - | - | - |
| Public Works | 5,742,858 | 144,689 | 27,481 | - | - | - |
| Health and Welfare | - | - | - | 5,999,969 | - | - |
| Parks, Recreation and Culture | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - |
| Education and Transfers to School Board | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Debt Service: | | | | | | |
| Principal Payments | - | - | - | - | - | - |
| Interest and Service Charges | - | - | - | - | - | - |
| Total Expenditures | <u>5,742,858</u> | <u>144,689</u> | <u>27,481</u> | <u>5,999,969</u> | <u>-</u> | <u>30,233</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,599)</u> | <u>574,754</u> | <u>7,294</u> | <u>(2,680,225)</u> | <u>-</u> | <u>(5,410)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | - | - | - | 3,596,334 | - | - |
| Transfers (Out) | - | (425,027) | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(425,027)</u> | <u>-</u> | <u>3,596,334</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(1,599)</u> | <u>149,727</u> | <u>7,294</u> | <u>916,109</u> | <u>-</u> | <u>(5,410)</u> |
| Fund Balances at Beginning of Year | <u>-</u> | <u>413,663</u> | <u>32,671</u> | <u>400,691</u> | <u>(12,389)</u> | <u>16,420</u> |
| Fund Balances at End of Year | <u>\$ (1,599)</u> | <u>\$ 563,390</u> | <u>\$ 39,965</u> | <u>\$ 1,316,800</u> | <u>\$ (12,389)</u> | <u>\$ 11,010</u> |

| Federally Forfeited Property | Hotel and Motel Room Tax | County-Wide Sewer Service District | Hamilton Sewer Service District | Community Development Authority | Purchase of Development Rights | Emergency 911 Fees | Rental Assistance Program | Public Transportation Fund |
|---|---|---|--|--|---|-----------------------------------|--|---|
| \$ - | \$ - | \$ - | \$ 77,044 | \$ 2,325,259 | \$ - | \$ - | \$ - | \$ - |
| - | 2,119,110 | - | - | - | - | 5,302,180 | - | - |
| - | - | 263,351 | - | - | - | 256,088 | 6,875,365 | - |
| - | - | - | - | - | - | - | - | - |
| 3,962 | - | 13,698 | - | - | - | - | - | - |
| 53,008 | - | 557 | 54 | - | - | 442,530 | 12,870 | - |
| - | - | - | - | - | 7,525 | - | - | - |
| - | - | 78,968 | 36,973 | - | - | - | 201 | - |
| <u>56,970</u> | <u>2,119,110</u> | <u>356,574</u> | <u>114,071</u> | <u>2,325,259</u> | <u>7,525</u> | <u>6,000,798</u> | <u>6,888,436</u> | <u>-</u> |
| - | - | - | - | - | - | - | - | - |
| 186,548 | - | - | - | - | - | 3,870,533 | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | 114,036 | - | - | - | - | 6,888,436 | - |
| - | 2,130,500 | - | - | - | - | - | - | - |
| - | 202,000 | - | 206,690 | 2,360,781 | 3,808,280 | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | 91,359 | - | - | - | - | - | - |
| - | - | 14,179 | - | - | - | - | - | - |
| <u>186,548</u> | <u>2,332,500</u> | <u>219,574</u> | <u>206,690</u> | <u>2,360,781</u> | <u>3,808,280</u> | <u>3,870,533</u> | <u>6,888,436</u> | <u>-</u> |
| <u>(129,578)</u> | <u>(213,390)</u> | <u>137,000</u> | <u>(92,619)</u> | <u>(35,522)</u> | <u>(3,800,755)</u> | <u>2,130,265</u> | <u>-</u> | <u>-</u> |
| - | - | (137,000) | 88,000 | - | 980,080 | 249,409 | - | 860,044 |
| - | (1,215,077) | - | - | - | - | - | - | (1,705,000) |
| - | - | (137,000) | 88,000 | - | 980,080 | 249,409 | - | (844,956) |
| (129,578) | (1,428,467) | - | (4,619) | (35,522) | (2,820,675) | 2,379,674 | - | (844,956) |
| 264,364 | 1,338,869 | - | 171,221 | 1,180,391 | 8,000,000 | 523,314 | - | 877,920 |
| <u>\$ 134,786</u> | <u>\$ (89,598)</u> | <u>\$ -</u> | <u>\$ 166,602</u> | <u>\$ 1,144,869</u> | <u>\$ 5,179,325</u> | <u>\$ 2,902,988</u> | <u>\$ -</u> | <u>\$ 32,964</u> |

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| | Special Revenue Funds | | | | | | |
|--|-------------------------|--|-------------------------------|--------------------|----------------------------|------------------|-------------------------------------|
| | Revenue Maximization | State & Local Emergency Preparedness | Public Facilities Trust | Sheriff's Trust | Animal Shelter Trust | Housing Trust | Transportation District Trust |
| REVENUES | | | | | | | |
| General Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Local Taxes | - | - | - | - | - | - | 3,695,448 |
| Intergovernmental | 432,162 | 2,525,166 | - | - | 6,589 | - | - |
| Charges for Services | - | - | - | - | - | - | - |
| Use of Money and Property | - | - | 620,757 | - | 2,645 | - | 211,742 |
| Recovered Costs | 3,180 | - | - | - | - | - | - |
| Gifts and Donations | - | - | 10,396,500 | 21,323 | 21,025 | - | - |
| Miscellaneous | - | - | - | - | - | 89,774 | - |
| Total Revenues | <u>435,342</u> | <u>2,525,166</u> | <u>11,017,257</u> | <u>21,323</u> | <u>30,259</u> | <u>89,774</u> | <u>3,907,190</u> |
| EXPENDITURES | | | | | | | |
| Current Operating: | | | | | | | |
| Judicial Administration | - | - | - | - | - | - | - |
| Public Safety | 39,026 | 2,027,887 | 514,181 | 13,506 | 605 | - | - |
| Public Works | - | - | - | - | - | - | - |
| Health and Welfare | 396,316 | - | - | - | - | - | - |
| Parks, Recreation and Culture | - | - | - | - | - | - | - |
| Community Development | - | - | 376,758 | - | - | - | 1,103,238 |
| Education and Transfers to School Board | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | |
| Principal Payments | - | - | - | - | - | - | - |
| Interest and Service Charges | - | - | - | - | - | - | - |
| Total Expenditures | <u>435,342</u> | <u>2,027,887</u> | <u>890,939</u> | <u>13,506</u> | <u>605</u> | <u>-</u> | <u>1,103,238</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>497,279</u> | <u>10,126,318</u> | <u>7,817</u> | <u>29,654</u> | <u>89,774</u> | <u>2,803,952</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers In | - | - | - | - | - | - | - |
| Transfers (Out) | - | (497,279) | (1,136,958) | - | - | - | (2,363,022) |
| Total Other Financing Sources (uses) | <u>-</u> | <u>(497,279)</u> | <u>(1,136,958)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,363,022)</u> |
| Net Change in Fund Balances | <u>-</u> | <u>-</u> | <u>8,989,360</u> | <u>7,817</u> | <u>29,654</u> | <u>89,774</u> | <u>440,930</u> |
| Fund Balances at Beginning of Year | <u>-</u> | <u>-</u> | <u>36,426,034</u> | <u>16,456</u> | <u>161,310</u> | <u>328,228</u> | <u>8,369,651</u> |
| Fund Balances at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$45,415,394</u> | <u>\$ 24,273</u> | <u>\$190,964</u> | <u>\$418,002</u> | <u>\$ 8,810,581</u> |

| Environmental Trust | Uran Holocaust Trust | Beautification Trust | Horton Program For the Arts Trust | Capital Funds | | Permanent Fund Peabody Trust Fund | Total Other Governmental Funds |
|------------------------|-------------------------|-------------------------|---|---------------------|---------------------------------|--|---|
| | | | | Capital Projects | Capital Asset Replacement | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,897,780 |
| - | - | - | - | - | 92,554 | - | 11,209,292 |
| - | - | - | - | 221,414 | - | - | 13,518,455 |
| - | - | - | - | 16,065 | 1,990 | - | 42,878 |
| - | 6,716 | 92 | 148 | - | - | 166 | 859,926 |
| - | - | - | - | 10,754 | - | - | 904,377 |
| - | 75,000 | - | 2,750 | 60,344 | - | - | 10,584,467 |
| - | - | - | - | - | - | - | 205,916 |
| - | 81,716 | 92 | 2,898 | 308,577 | 94,544 | 166 | 46,223,091 |
| - | - | - | - | - | - | - | 30,233 |
| - | - | - | - | - | - | - | 6,652,286 |
| - | - | - | - | 666,789 | 1,163,357 | - | 7,745,174 |
| - | 101,513 | - | 618 | - | - | - | 13,398,757 |
| - | - | - | - | - | - | - | 2,232,631 |
| - | - | - | - | - | - | - | 8,057,747 |
| - | - | - | - | - | - | 700 | 700 |
| - | - | - | - | 12,161,815 | 153,815 | - | 12,315,630 |
| - | - | - | - | - | - | - | 91,359 |
| - | - | - | - | - | - | - | 14,179 |
| - | 101,513 | - | 618 | 12,828,604 | 1,317,172 | 700 | 50,538,696 |
| - | (19,797) | 92 | 2,280 | (12,520,027) | (1,222,628) | (534) | (4,315,605) |
| - | - | - | - | 17,066,096 | 2,792,779 | - | 25,495,742 |
| - | - | - | - | (16,373,240) | - | - | (23,715,603) |
| - | - | - | - | 692,856 | 2,792,779 | - | 1,780,139 |
| - | (19,797) | 92 | 2,280 | (11,827,171) | 1,570,151 | (534) | (2,535,466) |
| 1,488 | 848,870 | 6,051 | 7,898 | 57,201,105 | 2,643,605 | 48,409 | 119,266,240 |
| \$ 1,488 | \$ 829,073 | \$ 6,143 | \$ 10,178 | \$ 45,373,934 | \$ 4,213,756 | \$ 47,875 | \$ 116,730,774 |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
ROUTE 28 SPECIAL IMPROVEMENTS FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| General Property Taxes | \$ 6,010,660 | \$ 5,741,259 | \$ (269,401) |
| Amounts Available for Appropriation | 6,010,660 | 5,741,259 | (269,401) |
| Charges to Appropriations (Outflows) | | | |
| Public Works | 6,010,660 | 5,742,858 | 267,802 |
| Total Charges to Appropriations | 6,010,660 | 5,742,858 | 267,802 |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | (1,599) | (1,599) |
| Fund Balance at Beginning of Year | - | - | - |
| Fund Balance at End of Year | \$ - | \$ (1,599) | \$ (1,599) |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
BROAD RUN FARMS SEWER IMPROVEMENTS FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| General Property Taxes | \$ 144,688 | \$ 719,443 | \$ 574,755 |
| Amounts Available for Appropriation | 144,688 | 719,443 | 574,755 |
| Charges to Appropriations (Outflows) | | | |
| Public Works | 144,688 | 144,689 | (1) |
| Transfers to Other Funds | - | 425,027 | (425,027) |
| Total Charges to Appropriations | 144,688 | 569,716 | (425,028) |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | 149,727 | 149,727 |
| Fund Balance at Beginning of Year | 413,663 | 413,663 | - |
| Fund Balance at End of Year | \$ 413,663 | \$ 563,390 | \$ 149,727 |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
ALDIE SEWER SERVICE DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| General Property Taxes | \$ 35,360 | \$ 34,775 | \$ (585) |
| Amounts Available for Appropriation | <u>35,360</u> | <u>34,775</u> | <u>(585)</u> |
| Charges to Appropriations (Outflows) | | | |
| Public Works | 35,360 | 27,481 | 7,879 |
| Total Charges to Appropriations | <u>35,360</u> | <u>27,481</u> | <u>7,879</u> |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | 7,294 | 7,294 |
| Fund Balance at Beginning of Year | 32,671 | 32,671 | - |
| Fund Balance at End of Year | <u>\$ 32,671</u> | <u>\$ 39,965</u> | <u>\$ 7,294</u> |

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMPREHENSIVE SERVICES ACT FUND
FOR THE YEAR ENDED JUNE 30, 2003**

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| Intergovernmental | \$ 3,588,508 | \$ 2,938,320 | \$ (650,188) |
| Recovered Costs | 300,000 | 381,424 | 81,424 |
| Transfers from Other Funds | 3,596,334 | 3,596,334 | - |
| Amounts Available for Appropriation | <u>7,484,842</u> | <u>6,916,078</u> | <u>(568,764)</u> |
| Charges to Appropriations (Outflows) | | | |
| Health and Welfare | 7,484,842 | 5,999,969 | 1,484,873 |
| Total Charges to Appropriations | <u>7,484,842</u> | <u>5,999,969</u> | <u>1,484,873</u> |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | 916,109 | 916,109 |
| Fund Balance at Beginning of Year | 400,691 | 400,691 | - |
| Fund Balance at End of Year | <u>\$ 400,691</u> | <u>\$ 1,316,800</u> | <u>\$ 916,109</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|--------------------|---|
| Resources (Inflows) | | | |
| Miscellaneous | \$ - | \$ - | - |
| Transfers from Other Funds | - | - | - |
| Amounts Available for Appropriation | - | - | - |
| Charges to Appropriations (Outflows) | | | |
| Community Development | - | - | - |
| Total Charges to Appropriations | - | - | - |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | - | - |
| Fund Balance at Beginning of Year | (12,389) | (12,389) | - |
| Fund Balance at End of Year | <u>\$ (12,389)</u> | <u>\$ (12,389)</u> | <u>\$ -</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
LEGAL RESOURCES CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| Charges for Services | \$ 34,179 | \$ 24,823 | \$ (9,356) |
| Amounts Available for Appropriation | <u>34,179</u> | <u>24,823</u> | <u>(9,356)</u> |
| Charges to Appropriations (Outflows) | | | |
| Judicial Administration | 34,179 | 30,233 | 3,946 |
| Total Charges to Appropriations | <u>34,179</u> | <u>30,233</u> | <u>3,946</u> |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | (5,410) | (5,410) |
| Fund Balance at Beginning of Year | 16,420 | 16,420 | - |
| Fund Balance at End of Year | <u>\$ 16,420</u> | <u>\$ 11,010</u> | <u>\$ (5,410)</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
FEDERALLY FORFEITED PROPERTY FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|-------------------|---|
| Resources (Inflows) | | | |
| Use of Money and Property | \$ - | \$ 3,962 | \$ 3,962 |
| Recovered Costs | - | 53,008 | 53,008 |
| Amounts Available for Appropriation | - | 56,970 | 56,970 |
| Charges to Appropriations (Outflows) | | | |
| Public Safety | 186,548 | 186,548 | - |
| Total Charges to Appropriations | 186,548 | 186,548 | - |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | (186,548) | (129,578) | 56,970 |
| Fund Balance at Beginning of Year | 264,364 | 264,364 | - |
| Fund Balance at End of Year | <u>\$ 77,816</u> | <u>\$ 134,786</u> | <u>\$ 56,970</u> |

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HOTEL AND MOTEL ROOM TAX FUND
FOR THE YEAR ENDED JUNE 30, 2003**

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| Other Local Taxes | \$ 2,165,500 | \$ 2,119,110 | \$ (46,390) |
| Amounts Available for Appropriation | <u>2,165,500</u> | <u>2,119,110</u> | <u>(46,390)</u> |
| Charges to Appropriations (Outflows) | | | |
| Parks, Recreation and Culture | 2,130,500 | 2,130,500 | - |
| Community Development | 202,000 | 202,000 | - |
| Transfers to Other Funds | 1,229,905 | 1,215,077 | 14,828 |
| Total Charges to Appropriations | <u>3,562,405</u> | <u>3,547,577</u> | <u>14,828</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | (1,396,905) | (1,428,467) | (31,562) |
| Fund Balance at Beginning of Year | 1,338,869 | 1,338,869 | - |
| Fund Balance at End of Year | <u>\$ (58,036)</u> | <u>\$ (89,598)</u> | <u>\$ (31,562)</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COUNTY-WIDE SEWER SERVICE DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| Intergovernmental | \$ 356,574 | \$ 263,351 | \$ (93,223) |
| Use of Money and Property | - | 13,698 | 13,698 |
| Recovered Costs | - | 557 | 557 |
| Miscellaneous | - | 78,968 | 78,968 |
| Transfers from Other Funds | (137,000) | (137,000) | - |
| Amounts Available for Appropriation | <u>219,574</u> | <u>219,574</u> | <u>-</u> |
| Charges to Appropriations (Outflows) | | | |
| Health and Welfare | 219,574 | 114,036 | 105,538 |
| Debt Service | - | 105,538 | (105,538) |
| Total Charges to Appropriations | <u>219,574</u> | <u>219,574</u> | <u>-</u> |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | - | - |
| Fund Balance at Beginning of Year | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HAMILTON SEWER SERVICE DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|-------------------|---|
| Resources (Inflows) | | | |
| General Property Taxes | \$ 80,780 | \$ 77,044 | \$ (3,736) |
| Recovered Costs | - | 54 | 54 |
| Miscellaneous | - | 36,973 | 36,973 |
| Transfers from Other Funds | 88,000 | 88,000 | - |
| Amounts Available for Appropriation | <u>168,780</u> | <u>202,071</u> | <u>33,291</u> |
| Charges to Appropriations (Outflows) | | | |
| Community Development | 168,780 | 206,690 | (37,910) |
| Total Charges to Appropriations | <u>168,780</u> | <u>206,690</u> | <u>(37,910)</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | - | (4,619) | (4,619) |
| Fund Balance at Beginning of Year | 171,221 | 171,221 | - |
| Fund Balance at End of Year | <u>\$ 171,221</u> | <u>\$ 166,602</u> | <u>\$ (4,619)</u> |

COUNTY OF LOUDOUN, VIRGINIA
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT AUTHORITY FUND
 FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| General Property Taxes | \$ - | \$ 2,325,259 | \$ 2,325,259 |
| Amounts Available for Appropriation | - | 2,325,259 | 2,325,259 |
| Charges to Appropriations (Outflows) | | | |
| Community Development | - | 2,360,781 | (2,360,781) |
| Total Charges to Appropriations | - | 2,360,781 | (2,360,781) |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | (35,522) | (35,522) |
| Fund Balance at Beginning of Year | 1,180,391 | 1,180,391 | - |
| Fund Balance at End of Year | \$ 1,180,391 | \$ 1,144,869 | \$ (35,522) |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
PURCHASE OF DEVELOPMENT RIGHTS FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| Gifts and Donations | \$ - | \$ 7,525 | \$ 7,525 |
| Transfers from Other Funds | 980,080 | 980,080 | - |
| Amounts Available for Appropriation | <u>980,080</u> | <u>987,605</u> | <u>7,525</u> |
| Charges to Appropriations (Outflows) | | | |
| Community Development | 3,808,280 | 3,808,280 | - |
| Total Charges to Appropriations | <u>3,808,280</u> | <u>3,808,280</u> | <u>-</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | (2,828,200) | (2,820,675) | 7,525 |
| Fund Balance at Beginning of Year | 8,000,000 | 8,000,000 | - |
| Fund Balance at End of Year | <u>\$ 5,171,800</u> | <u>\$ 5,179,325</u> | <u>\$ 7,525</u> |

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
EMERGENCY 911 FEES FUND
FOR THE YEAR ENDED JUNE 30, 2003**

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| Other Local Taxes | \$ 4,145,301 | \$ 5,302,180 | \$ 1,156,879 |
| Intergovernmental | 219,813 | 256,088 | 36,275 |
| Recovered Costs | - | 442,530 | 442,530 |
| Transfers from Other Funds | 249,409 | 249,409 | - |
| Amounts Available for Appropriation | 4,614,523 | 6,250,207 | 1,635,684 |
| Charges to Appropriations (Outflows) | | | |
| Public Safety | 4,726,740 | 3,870,533 | 856,207 |
| Total Charges to Appropriations | 4,726,740 | 3,870,533 | 856,207 |
| Excess (Deficiency) of Resources Over Charges to Appropriations | (112,217) | 2,379,674 | 2,491,891 |
| Fund Balance at Beginning of Year | 523,314 | 523,314 | - |
| Fund Balance at End of Year | \$ 411,097 | \$ 2,902,988 | \$ 2,491,891 |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
RENTAL ASSISTANCE PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| Intergovernmental | \$ 6,232,476 | \$ 6,875,365 | \$ 642,889 |
| Recovered Costs | - | 12,870 | 12,870 |
| Miscellaneous | - | 201 | 201 |
| Amounts Available for Appropriation | <u>6,232,476</u> | <u>6,888,436</u> | <u>655,960</u> |
| Charges to Appropriations (Outflows) | | | |
| Health and Welfare | 6,232,476 | 6,888,436 | (655,960) |
| Total Charges to Appropriations | <u>6,232,476</u> | <u>6,888,436</u> | <u>(655,960)</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | - | - | - |
| Fund Balance at Beginning of Year | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| Transfers from Other Funds | \$ 860,044 | \$ 860,044 | \$ - |
| Amounts Available for Appropriation | <u>860,044</u> | <u>860,044</u> | <u>-</u> |
| Charges to Appropriations (Outflows) | | | |
| Transfers to Other Funds | 1,737,964 | 1,705,000 | 32,964 |
| Exce: Total Charges to Appropriations | <u>1,737,964</u> | <u>1,705,000</u> | <u>32,964</u> |
| Fu Charges to Appropriations | (877,920) | (844,956) | 32,964 |
| Fund Balance at End of Year | 877,920 | 877,920 | - |
| | <u>\$ -</u> | <u>\$ 32,964</u> | <u>\$ 32,964</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
REVENUE MAXIMIZATION FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| Intergovernmental | \$ 432,162 | \$ 432,162 | \$ - |
| Recovered Costs | 3,180 | 3,180 | - |
| Amounts Available for Appropriation | <u>435,342</u> | <u>435,342</u> | <u>-</u> |
| Charges to Appropriations (Outflows) | | | |
| Public Safety | 39,026 | 39,026 | - |
| Health and Welfare | 396,316 | 396,316 | - |
| Total Charges to Appropriations | <u>435,342</u> | <u>435,342</u> | <u>-</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | - | - | - |
| Fund Balance at Beginning of Year | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF LOUDOUN, VIRGINIA
 BUDGETARY COMPARISON SCHEDULE
 STATE AND LOCAL EMERGENCY PREPAREDNESS FUND
 FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| Intergovernmental | \$ 2,525,166 | \$ 2,525,166 | \$ - |
| Amounts Available for Appropriation | <u>2,525,166</u> | <u>2,525,166</u> | <u>-</u> |
| Charges to Appropriations (Outflows) | | | |
| Public Safety | 2,027,887 | 2,027,887 | - |
| Transfers to Other Funds | 497,279 | 497,279 | - |
| Total Charges to Appropriations | <u>2,525,166</u> | <u>2,525,166</u> | <u>-</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | - | - | - |
| Fund Balance at Beginning of Year | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC FACILITIES FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|----------------------|---|
| Resources (Inflows) | | | |
| Use of Money and Property | \$ 190,315 | \$ 620,757 | \$ 430,442 |
| Gifts and Donations | 7,965,615 | 10,396,500 | 2,430,885 |
| Amounts Available for Appropriation | <u>8,155,930</u> | <u>11,017,257</u> | <u>2,861,327</u> |
| Charges to Appropriations (Outflows) | | | |
| Public Safety | - | 514,181 | (514,181) |
| Community Development | 231,751 | 376,758 | (145,007) |
| Transfers to Other Funds | 7,924,179 | 1,136,958 | 6,787,221 |
| Total Charges to Appropriations | <u>8,155,930</u> | <u>2,027,897</u> | <u>6,128,033</u> |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | 8,989,360 | 8,989,360 |
| Fund Balance at Beginning of Year | 36,426,034 | 36,426,034 | - |
| Fund Balance at End of Year | <u>\$ 36,426,034</u> | <u>\$ 45,415,394</u> | <u>\$ 8,989,360</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
SHERIFF'S TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| Gifts and Donations | \$ - | \$ 21,323 | \$ 21,323 |
| Amounts Available for Appropriation | - | 21,323 | 21,323 |
| Charges to Appropriations (Outflows) | | | |
| Public Safety | - | 13,506 | (13,506) |
| Total Charges to Appropriations | - | 13,506 | (13,506) |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | 7,817 | 7,817 |
| Fund Balance at Beginning of Year | 16,456 | 16,456 | - |
| Fund Balance at End of Year | \$ 16,456 | \$ 24,273 | \$ 7,817 |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
ANIMAL SHELTER TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|-------------------|---|
| Resources (Inflows) | | | |
| Intergovernmental | \$ - | \$ 6,589 | \$ 6,589 |
| Use of Money and Property | - | 2,645 | 2,645 |
| Gifts and Donations | - | 21,025 | 21,025 |
| Amounts Available for Appropriation | <u>-</u> | <u>30,259</u> | <u>30,259</u> |
| Charges to Appropriations (Outflows) | | | |
| Public Safety | - | 605 | (605) |
| Total Charges to Appropriations | <u>-</u> | <u>605</u> | <u>(605)</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | - | 29,654 | 29,654 |
| Fund Balance at Beginning of Year | 161,310 | 161,310 | - |
| Fund Balance at End of Year | <u>\$ 161,310</u> | <u>\$ 190,964</u> | <u>\$ 29,654</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HOUSING TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|-------------------|---|
| Resources (Inflows) | | | |
| Miscellaneous | \$ - | \$ 89,774 | \$ 89,774 |
| Amounts Available for Appropriation | <u>-</u> | <u>89,774</u> | <u>89,774</u> |
| Charges to Appropriations (Outflows) | | | |
| Health and Welfare | - | - | - |
| Total Charges to Appropriations | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | - | 89,774 | 89,774 |
| Fund Balance at Beginning of Year | 328,228 | 328,228 | - |
| Fund Balance at End of Year | <u>\$ 328,228</u> | <u>\$ 418,002</u> | <u>\$ 89,774</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION DISTRICT TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|---------------------|---|
| Resources (Inflows) | | | |
| Other Local Taxes | \$ 4,570,244 | \$ 3,695,448 | \$ (874,796) |
| Use of Money and Property | (150,000) | 211,742 | 361,742 |
| Amounts Available for Appropriation | <u>4,420,244</u> | <u>3,907,190</u> | <u>(513,054)</u> |
| Charges to Appropriations (Outflows) | | | |
| Community Development | 318,243 | 1,103,238 | (784,995) |
| Transfers to Other Funds | 2,851,911 | 2,363,022 | 488,889 |
| Total Charges to Appropriations | <u>3,170,154</u> | <u>3,466,260</u> | <u>(296,106)</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | 1,250,090 | 440,930 | (809,160) |
| Fund Balance at Beginning of Year | 8,369,651 | 8,369,651 | - |
| Fund Balance at End of Year | <u>\$ 9,619,741</u> | <u>\$ 8,810,581</u> | <u>\$ (809,160)</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| Gifts and Donations | \$ - | \$ - | \$ - |
| Amounts Available for Appropriation | <u>-</u> | <u>-</u> | <u>-</u> |
| Charges to Appropriations (Outflows) | | | |
| Community Development | - | - | - |
| Total Charges to Appropriations | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | - | - |
| Fund Balance at Beginning of Year | 1,488 | 1,488 | - |
| Fund Balance at End of Year | <u>\$ 1,488</u> | <u>\$ 1,488</u> | <u>\$ -</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
URAN HOLOCAUST TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| Use of Money and Property | \$ - | \$ 6,716 | \$ 6,716 |
| Gifts and Donations | 50,000 | 75,000 | 25,000 |
| Amounts Available for Appropriation | <u>50,000</u> | <u>81,716</u> | <u>31,716</u> |
| Charges to Appropriations (Outflows) | | | |
| Parks, Recreation and Culture | 50,000 | 101,513 | (51,513) |
| Total Charges to Appropriations | <u>50,000</u> | <u>101,513</u> | <u>(51,513)</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | - | (19,797) | (19,797) |
| Fund Balance at Beginning of Year | 848,870 | 848,870 | - |
| Fund Balance at End of Year | <u>\$ 848,870</u> | <u>\$ 829,073</u> | <u>\$ (19,797)</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
BEAUTIFICATION TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| Use of Money and Property | \$ - | \$ 92 | \$ 92 |
| Amounts Available for Appropriation | <u>-</u> | <u>92</u> | <u>92</u> |
| Charges to Appropriations (Outflows) | | | |
| Community Development | - | - | - |
| Total Charges to Appropriations | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Resources Over Charges to Appropriations | - | 92 | 92 |
| Fund Balance at Beginning of Year | 6,051 | 6,051 | - |
| Fund Balance at End of Year | <u>\$ 6,051</u> | <u>\$ 6,143</u> | <u>\$ 92</u> |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HORTON PROGRAM FOR THE ARTS TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|----------------------------------|--------------------------|---|
| Resources (Inflows) | | | |
| Use of Money and Property | \$ - | \$ 148 | \$ 148 |
| Gifts and Donations | - | 2,750 | 2,750 |
| Amounts Available for Appropriation | <u>-</u> | <u>2,898</u> | <u>2,898</u> |
| Charges to Appropriations (Outflows) | | | |
| Parks, Recreation and Culture | - | 618 | (618) |
| Total Charges to Appropriations | <u>-</u> | <u>618</u> | <u>(618)</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | - | 2,280 | 2,280 |
| Fund Balance at Beginning of Year | 7,898 | 7,898 | - |
| Fund Balance at End of Year | <u>\$ 7,898</u> | <u>\$ 10,178</u> | <u>\$ 2,280</u> |

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2003**

| | Prior Years | Current Year | Total to Date | Project Authorization |
|--|------------------------|-------------------------|--------------------------|----------------------------------|
| REVENUES | | | | |
| Other Local Taxes | \$ 1,002,535 | \$ - | \$ 1,002,535 | \$ 1,002,535 |
| Intergovernmental | 1,584,063 | 221,414 | 1,805,477 | 10,647,380 |
| Charges for Services | 16,290 | 16,065 | 32,355 | 16,810 |
| Use of Money and Property | 919,230 | - | 919,230 | 919,230 |
| Recovered Costs | 1,318,274 | 10,754 | 1,329,028 | 1,327,922 |
| Gifts and Donations | 3,277,532 | 60,344 | 3,337,876 | 4,552,575 |
| Miscellaneous | 255,000 | - | 255,000 | 255,000 |
| Total Revenues | 8,372,924 | 308,577 | 8,681,501 | 18,721,452 |
| EXPENDITURES | | | | |
| Public Works | 7,371,495 | 666,789 | 8,038,284 | 14,059,283 |
| Capital Outlay | 95,790,631 | 12,161,815 | 107,952,446 | 251,597,188 |
| Total Expenditures | 103,162,126 | 12,828,604 | 115,990,730 | 265,656,471 |
| Deficiency of Revenues Under Expenditures | (94,789,202) | (12,520,027) | (107,309,229) | (246,935,019) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 136,685,964 | 17,066,096 | 153,752,060 | 213,272,777 |
| Transfers (Out) | (2,993,300) | (16,373,240) | (19,366,540) | (19,366,540) |
| Lease/Purchase Financing | 18,297,643 | - | 18,297,643 | 53,287,643 |
| Total Other Financing Sources (Uses) | 151,990,307 | 692,856 | 152,683,163 | 247,193,880 |
| Net Change in Fund Balances | \$ 57,201,105 | (11,827,171) | \$ 45,373,934 | \$ 258,861 |
| Fund Balances at Beginning of Year | | 57,201,105 | | |
| Fund Balances at End of Year | | \$ 45,373,934 | | |

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL ASSET REPLACEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2003**

| | Prior Years | Current Year | Total to Date | Project Authorization |
|--|------------------------|-------------------------|--------------------------|----------------------------------|
| REVENUES | | | | |
| Other Local Taxes | \$ 271,141 | \$ 92,554 | \$ 363,695 | \$ 348,007 |
| Permits and Licenses | 33,132 | - | 33,132 | 33,132 |
| Charges for Services | 3,924 | 1,990 | 5,914 | 5,379 |
| Use of Money and Property | 146,000 | - | 146,000 | 146,000 |
| Recovered Costs | 970,772 | - | 970,772 | 958,209 |
| Miscellaneous | 274 | - | 274 | 274 |
| Total Revenues | 1,425,243 | 94,544 | 1,519,787 | 1,491,001 |
| EXPENDITURES | | | | |
| Public Works | 4,258,076 | 1,163,357 | 5,421,433 | 8,445,137 |
| Capital Outlay | 214,770 | 153,815 | 368,585 | 1,520,229 |
| Total Expenditures | 4,472,846 | 1,317,172 | 5,790,018 | 9,965,366 |
| Deficiency of Revenues Under Expenditures | (3,047,603) | (1,222,628) | (4,270,231) | (8,474,365) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 5,691,208 | 2,792,779 | 8,483,987 | 8,483,666 |
| Total Other Financing Sources (Uses) | 5,691,208 | 2,792,779 | 8,483,987 | 8,483,666 |
| Net Change in Fund Balances | \$ 2,643,605 | 1,570,151 | \$ 4,213,756 | \$ 9,301 |
| Fund Balances at Beginning of Year | | 2,643,605 | | |
| Fund Balances at End of Year | | \$ 4,213,756 | | |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|---|--------------------------|----------------------|---|
| Resources (Inflows) | | | |
| Use of Money and Property | \$ 1,100,000 | \$ 1,097,026 | \$ (2,974) |
| Transfers from Other Funds | 73,062,994 | 73,062,994 | - |
| Face Amount of Bonds issued Plus Premium | 184,715,000 | 213,531,178 | 28,816,178 |
| Proceeds from capital lease | - | 21,530,000 | 21,530,000 |
| Amounts Available for Appropriation | <u>258,877,994</u> | <u>287,691,198</u> | <u>28,813,204</u> |
| Charges to Appropriations (Outflows) | | | |
| Nondepartmental: | | | |
| Debt Service | 70,318,372 | 66,336,646 | 3,981,726 |
| Transfers to Other Funds | 7,960,000 | 7,960,000 | - |
| Transfers to Component Units | 176,755,000 | 176,755,000 | - |
| Payments to Refunded Bond Escrow Agent | - | 16,625,000 | (16,625,000) |
| Payments to Refunded Lease Escrow Agent | - | 21,530,000 | (21,530,000) |
| Total Charges to Appropriations | <u>255,033,372</u> | <u>267,676,646</u> | <u>(12,643,274)</u> |
| Excess of Resources Over Charges to Appropriations | <u>3,844,622</u> | <u>20,014,552</u> | <u>16,169,930</u> |
| Fund Balance at Beginning of Year | <u>15,258,032</u> | <u>15,258,032</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 19,102,654</u> | <u>\$ 35,272,584</u> | <u>\$ 16,169,930</u> |

Proprietary Funds

Proprietary funds are used to account for operations that are financed in the manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The County's proprietary fund types consist of the Central Services Fund and the Self-insurance Fund. The operations of these funds are generally intended to be self-supporting.

Central Services Fund - This fund is used to account for the financing of goods or services provided among County departments on a cost reimbursement basis and includes such activities as central duplicating, telephone, mail, support, and fleet management services.

Self Insurance Fund - This fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of risk of loss arising out of the assumption of risk rather than transferring that risk to a third party through the purchase of insurance and includes such retention as health insurance, workers compensation insurance and automobile physical damage insurance.

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PROPRIETARY NET ASSETS
AS OF JUNE 30, 2003

| | Central Service Funds | | | | | | | |
|--|------------------------------|---------------------|------------------|--------------------|--------------------------------|--------------------------------|---------------------------|----------------------|
| | Duplicating | Telephone | Mail | Support | Vehicle Maintenance | Vehicle Replacement | Self Insurance | Total |
| ASSETS | | | | | | | | |
| Current Assets: | | | | | | | | |
| Cash and Cash Equivalents | \$ 78,578 | \$ 138,262 | \$ - | \$ 26,055 | \$ 759,445 | \$ 2,088,241 | \$ 13,281,184 | \$ 16,371,765 |
| Cash with Fiscal Agents | - | - | - | - | - | - | 1,537,129 | 1,537,129 |
| Receivables, Net | 998 | 8,150 | - | - | 170 | - | 15,835 | 25,153 |
| Advances to employees | - | 500 | 20 | 352 | - | - | - | 872 |
| Inventory of Supplies | - | - | 87,413 | - | 321,943 | - | - | 409,356 |
| Prepaid Items | - | - | - | - | 520 | - | - | 520 |
| Total Current Assets | <u>79,576</u> | <u>146,912</u> | <u>87,433</u> | <u>26,407</u> | <u>1,082,078</u> | <u>2,088,241</u> | <u>14,834,148</u> | <u>18,344,795</u> |
| Noncurrent Assets: | | | | | | | | |
| Capital Assets: | | | | | | | | |
| Depreciable, Net | - | 1,353,739 | - | - | 233,224 | 8,504,549 | - | 10,091,512 |
| Total Noncurrent Assets | - | 1,353,739 | - | - | 233,224 | 8,504,549 | - | 10,091,512 |
| Total Assets | <u>\$ 79,576</u> | <u>\$ 1,500,651</u> | <u>\$ 87,433</u> | <u>\$ 26,407</u> | <u>\$ 1,315,302</u> | <u>\$ 10,592,790</u> | <u>\$ 14,834,148</u> | <u>\$ 28,436,307</u> |
| LIABILITIES | | | | | | | | |
| Current Assets: | | | | | | | | |
| Accounts Payable | \$ 19,963 | \$ 146,954 | \$ 822 | \$ 8,215 | \$ 167,454 | \$ 131,554 | \$ 2,203,232 | \$ 2,678,194 |
| Due to Other Funds | - | 9,833 | 47,521 | 20,251 | - | - | - | 77,605 |
| Accrued Liabilities | - | - | - | 13,985 | 4,158 | - | - | 18,143 |
| Total Current Liabilities | <u>19,963</u> | <u>156,787</u> | <u>48,343</u> | <u>42,451</u> | <u>171,612</u> | <u>131,554</u> | <u>2,203,232</u> | <u>2,773,942</u> |
| Noncurrent Liabilities: | | | | | | | | |
| Claims Liabilities | - | - | - | - | - | - | 7,140,493 | 7,140,493 |
| Total Noncurrent Liabilities | - | - | - | - | - | - | 7,140,493 | 7,140,493 |
| Total Liabilities | <u>\$ 19,963</u> | <u>\$ 156,787</u> | <u>\$ 48,343</u> | <u>\$ 42,451</u> | <u>\$ 171,612</u> | <u>\$ 131,554</u> | <u>\$ 9,343,725</u> | <u>\$ 9,914,435</u> |
| NET ASSETS | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ - | \$ 1,353,739 | \$ - | \$ - | \$ 233,224 | \$ 8,504,549 | \$ - | \$ 10,091,512 |
| Unrestricted (Deficit) | 59,613 | (9,875) | 39,090 | (16,044) | 910,466 | 1,956,687 | 5,490,423 | 8,430,360 |
| Total Net Assets | <u>\$ 59,613</u> | <u>\$ 1,343,864</u> | <u>\$ 39,090</u> | <u>\$ (16,044)</u> | <u>\$ 1,143,690</u> | <u>\$ 10,461,236</u> | <u>\$ 5,490,423</u> | <u>\$ 18,521,872</u> |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PROPRIETARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003

| | Central Service Funds | | | | | | Self | |
|---|------------------------------|---------------------|------------------|--------------------|--------------------------------|--------------------------------|---------------------|----------------------|
| | Duplicating | Telephone | Mail | Support | Vehicle Maintenance | Vehicle Replacement | Insurance | Total |
| Operating Revenues: | | | | | | | | |
| Charges for services | \$ 531,926 | \$ 915,597 | \$ 465,828 | \$ 657,845 | \$ 5,838,264 | \$ 774,453 | \$ 45,019,424 | \$ 54,203,337 |
| Use of property | 34,547 | 56,569 | - | - | 2,823 | - | - | 93,939 |
| Total Operating Revenues | <u>566,473</u> | <u>972,166</u> | <u>465,828</u> | <u>657,845</u> | <u>5,841,087</u> | <u>774,453</u> | <u>45,019,424</u> | <u>54,297,276</u> |
| Operating Expenses: | | | | | | | | |
| Claims | - | - | - | - | - | - | 35,935,019 | 35,935,019 |
| Personnel services | - | - | - | 606,239 | 1,947,476 | - | 18,784 | 2,572,499 |
| Other services and charges | 479,205 | 617,395 | 10,175 | 62,496 | 871,491 | 39,903 | 8,968,704 | 11,049,369 |
| Materials and supplies | 87,717 | 6,669 | 455,653 | 11,515 | 2,594,932 | 31,224 | - | 3,187,710 |
| Depreciation | - | 516,340 | - | - | 45,553 | 2,574,887 | - | 3,136,780 |
| Total Operating Expenses | <u>566,922</u> | <u>1,140,404</u> | <u>465,828</u> | <u>680,250</u> | <u>5,459,452</u> | <u>2,646,014</u> | <u>44,922,507</u> | <u>55,881,377</u> |
| Operating income (loss) | (449) | (168,238) | - | (22,405) | 381,635 | (1,871,561) | 96,917 | (1,584,101) |
| Non-Operating Revenues: | | | | | | | | |
| Gain on Sale of Fixed Assets | - | - | - | - | (5,441) | 79,094 | - | 73,653 |
| Total Non-Operating Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(5,441)</u> | <u>79,094</u> | <u>-</u> | <u>73,653</u> |
| Net Income (Loss) Before Operating Transfers | <u>(449)</u> | <u>(168,238)</u> | <u>-</u> | <u>(22,405)</u> | <u>376,194</u> | <u>(1,792,467)</u> | <u>96,917</u> | <u>(1,510,448)</u> |
| Transfers In | - | 73,126 | - | - | - | 1,825,584 | 500,000 | 2,398,710 |
| Transfers In from Component Unit | - | - | - | - | - | - | 2,900,000 | 2,900,000 |
| | <u>-</u> | <u>73,126</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,825,584</u> | <u>3,400,000</u> | <u>5,298,710</u> |
| Change in Net Assets | (449) | (95,112) | - | (22,405) | 376,194 | 33,117 | 3,496,917 | 3,788,262 |
| Net Assets at Beginning of Year | 60,062 | 1,438,976 | 39,090 | 6,361 | 767,496 | 10,428,119 | 1,993,506 | 14,733,610 |
| Net Assets at End of Year | <u>\$ 59,613</u> | <u>\$ 1,343,864</u> | <u>\$ 39,090</u> | <u>\$ (16,044)</u> | <u>\$ 1,143,690</u> | <u>\$ 10,461,236</u> | <u>\$ 5,490,423</u> | <u>\$ 18,521,872</u> |

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2003**

| | Central Service Funds | | | | | | Self | |
|---|-----------------------|---------------------|--------------------|--------------------|------------------------|------------------------|-----------------------|-----------------------|
| | Duplicating | Telephone | Mail | Support | Vehicle Maintenance | Vehicle Replacement | Insurance | Total |
| Cash Flows from Operating Activities: | | | | | | | | |
| Receipts from Customers | \$ 566,292 | \$ 975,219 | \$ 465,828 | \$ 657,845 | \$ 5,841,749 | \$ 774,453 | \$ 45,149,751 | \$ 54,431,137 |
| Payments to Suppliers for Goods and Services | (633,979) | (666,651) | (494,642) | (66,685) | (3,471,862) | (65,518) | (9,919,115) | (15,318,452) |
| Claims Paid | - | - | - | - | - | - | (36,370,070) | (36,370,070) |
| Payments to Employees | - | - | - | (592,254) | (1,943,864) | - | (18,784) | (2,554,902) |
| Net Cash Provided by Operating Activities | <u>(67,687)</u> | <u>308,568</u> | <u>(28,814)</u> | <u>(1,094)</u> | <u>426,023</u> | <u>708,935</u> | <u>(1,158,218)</u> | <u>187,713</u> |
| Cash Flows from Noncapital Financing Activities: | - | | | | | | | |
| Transfers In | - | 73,126 | - | - | - | 1,825,584 | 500,000 | 2,398,710 |
| Transfers In from Component Unit | - | - | - | - | - | - | 2,900,000 | 2,900,000 |
| Net Cash Flows Used in Noncapital Financing Activities | <u>-</u> | <u>73,126</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,825,584</u> | <u>3,400,000</u> | <u>5,298,710</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | | | | | |
| Additions to Capital Assets | - | (243,432) | - | - | (53,777) | (3,869,560) | - | (4,166,769) |
| Proceeds from Sale of Capital Assets | - | - | - | - | (0) | 123,300 | - | 123,300 |
| Net Cash Flows from Capital and Related Financing Activities | <u>-</u> | <u>(243,432)</u> | <u>-</u> | <u>-</u> | <u>(53,777)</u> | <u>(3,746,260)</u> | <u>-</u> | <u>(4,043,469)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (67,687) | 138,262 | (28,814) | (1,094) | 372,246 | (1,211,741) | 2,241,782 | 1,442,954 |
| Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year | <u>146,265</u> | <u>-</u> | <u>28,814</u> | <u>27,149</u> | <u>387,199</u> | <u>3,299,982</u> | <u>12,576,531</u> | <u>16,465,940</u> |
| Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year | <u>\$ 78,578</u> | <u>\$ 138,262</u> | <u>\$ -</u> | <u>\$ 26,055</u> | <u>\$ 759,445</u> | <u>\$ 2,088,241</u> | <u>\$ 14,818,313</u> | <u>\$ 17,908,894</u> |
| | | | | | | | - | |
| Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities: | | | | | | | | |
| Operating (Loss) | <u>\$ (449)</u> | <u>\$ (168,238)</u> | <u>\$ -</u> | <u>\$ (22,405)</u> | <u>\$ 381,635</u> | <u>\$ (1,871,561)</u> | <u>\$ 96,917</u> | <u>\$ (1,584,101)</u> |
| Adjustment Not Affecting Cash: | | | | | | | | |
| Depreciation | - | 516,340 | - | - | 45,553 | 2,574,887 | - | 3,136,780 |
| (Increase) Decrease in Assets and Increase (Decrease) in Liabilities: | | | | | | | | |
| Receivable, Net | (181) | 3,053 | - | - | 662 | - | 130,327 | 133,861 |
| Inventory of Supplies | - | - | 25,217 | - | (46,012) | - | - | (20,795) |
| Prepaid Items | - | - | - | - | (325) | - | - | (325) |
| Accounts Payable | (67,057) | (42,587) | (89,451) | 7,326 | 40,898 | 5,609 | (950,411) | (1,095,673) |
| Due to Other Funds | - | - | 35,420 | - | - | - | - | 35,420 |
| Accrued Liabilities | - | - | - | 13,985 | 3,612 | - | - | 17,597 |
| Claims Liabilities | - | - | - | - | - | - | (435,051) | (435,051) |
| Total Adjustments | <u>(67,238)</u> | <u>476,806</u> | <u>(28,814)</u> | <u>21,311</u> | <u>44,388</u> | <u>2,580,496</u> | <u>(1,255,135)</u> | <u>1,771,814</u> |
| Net Cash Provided by Operating Activities | <u>\$ (67,687)</u> | <u>\$ 308,568</u> | <u>\$ (28,814)</u> | <u>\$ (1,094)</u> | <u>\$ 426,023</u> | <u>\$ 708,935</u> | <u>\$ (1,158,218)</u> | <u>\$ 187,713</u> |

Fiduciary Funds

Trust and Agency Funds are used to account for the assets received and disbursed by the County government acting in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Private Purpose Trust Funds

Senior Center Trust Fund - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the senior center.

War Memorial Trust Fund - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to the use for the maintenance and improvement of the Vietnam Memorial.

Agency Funds

Special Welfare Trust Fund - This fund is used to account for monies provided through the State and from private donors for regular assistance payments to recipients in the Aid to Dependent Children Program.

Performance Bond Fund - This fund is used to account for monies received from and returned to individuals and businesses who are required to have a performance bond for development. The County acts as an agent to hold the monies until performance is rendered.

Employee Benefits Distribution Fund - This fund is used to account for employee withholdings, employer contributions and payments made for employee benefits.

Adult Detention Center (ADC) Inmate Trust Fund - This fund is used to account for monies held by inmates of the County's ADC at the time of incarceration.

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PRIVATE PURPOSE TRUST NET ASSETS
AS OF JUNE 30, 2003

| | <u>Senior Center</u> | <u>War Memorial</u> | <u>Total</u> |
|------------------------------------|--------------------------|-------------------------|-----------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 470 | \$ 7,662 | \$ 8,132 |
| | <u>470</u> | <u>7,662</u> | <u>8,132</u> |
| Total Assets | <u>\$ 470</u> | <u>\$ 7,662</u> | <u>\$ 8,132</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ - | \$ - | \$ - |
| Total Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| NET ASSETS | | | |
| Held in Trust for Private Purposes | <u>\$ 470</u> | <u>\$ 7,662</u> | <u>\$ 8,132</u> |

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUST NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Senior Center</u> | <u>War Memorial</u> | <u>Total</u> |
|--|--------------------------|-------------------------|------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Gifts and Donations | \$ - | \$ - | \$ - |
| Total Contributions | <u>-</u> | <u>-</u> | <u>-</u> |
| Investment Earnings: | | | |
| Interest | - | 142 | 142 |
| Total Investment Earnings | <u>-</u> | <u>142</u> | <u>142</u> |
| Total Additions | <u>-</u> | <u>142</u> | <u>142</u> |
| DEDUCTIONS | | | |
| Benefits | - | 2,000 | 2,000 |
| Total Deductions | <u>-</u> | <u>2,000</u> | <u>2,000</u> |
| Change in Net Assets | - | (1,858) | (1,858) |
| Net Assets at Beginning of Year | <u>470</u> | <u>9,520</u> | <u>9,990</u> |
| Net Assets at End of Year | <u><u>\$ 470</u></u> | <u><u>\$ 7,662</u></u> | <u><u>\$ 8,132</u></u> |

COUNTY OF LOUDOUN, VIRGINIA
 COMBINING STATEMENT OF AGENCY FUND NET ASSETS
 AS OF JUNE 30, 2003

| | Special Welfare | Performance Bonds | Employee Benefits Distribution | ADC Inmate | Total |
|--------------------------------|--------------------|----------------------|-----------------------------------|-------------------|----------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 58,996 | \$ 8,204,144 | \$ 7,945,827 | \$ 169,835 | \$ 16,378,802 |
| Total Assets | <u>\$ 58,996</u> | <u>\$ 8,204,144</u> | <u>\$ 7,945,827</u> | <u>\$ 169,835</u> | <u>\$ 16,378,802</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ - | \$ 129,904 | \$ 7,945,827 | \$ - | \$ 8,075,731 |
| Funds Held in Trust for Others | 58,996 | 8,074,240 | - | 169,835 | 8,303,071 |
| Total Liabilities | <u>\$ 58,996</u> | <u>\$ 8,204,144</u> | <u>\$ 7,945,827</u> | <u>\$ 169,835</u> | <u>\$ 16,378,802</u> |

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| | Balance July 1, 2002 | Additions | Deductions | Balance June 30, 2003 |
|--|-------------------------|-----------------------|-----------------------|--------------------------|
| <u>Special Welfare Fund</u> | | | | |
| Assets: | | | | |
| Cash and Temporary Investments | \$ 24,700 | \$ 141,375 | \$ 107,079 | \$ 58,996 |
| Total Assets | <u>\$ 24,700</u> | <u>\$ 141,375</u> | <u>\$ 107,079</u> | <u>\$ 58,996</u> |
| Liabilities: | | | | |
| Funds Held in Trust for Others | 24,700 | 106,286 | 140,582 | 58,996 |
| Total Liabilities | <u>\$ 24,700</u> | <u>\$ 106,286</u> | <u>\$ 140,582</u> | <u>\$ 58,996</u> |
| <u>Performance Bond Fund</u> | | | | |
| Assets: | | | | |
| Cash and Temporary Investments | \$ 7,741,596 | \$ 2,091,580 | \$ 1,629,032 | \$ 8,204,144 |
| Total Assets | <u>\$ 7,741,596</u> | <u>\$ 2,091,580</u> | <u>\$ 1,629,032</u> | <u>\$ 8,204,144</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 112,997 | \$ 1,309,981 | \$ 1,326,888 | \$ 129,904 |
| Funds Held in Trust for Others | 7,628,599 | 1,550,255 | 1,995,896 | 8,074,240 |
| Total Liabilities | <u>\$ 7,741,596</u> | <u>\$ 2,860,236</u> | <u>\$ 3,322,784</u> | <u>\$ 8,204,144</u> |
| <u>Employee Benefits Distribution Fund</u> | | | | |
| Assets: | | | | |
| Cash and Temporary Investments | \$ 6,931,908 | \$ 167,900,264 | \$ 166,886,345 | \$ 7,945,827 |
| Total Assets | <u>\$ 6,931,908</u> | <u>\$ 167,900,264</u> | <u>\$ 166,886,345</u> | <u>\$ 7,945,827</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 6,931,908 | \$ 200,848,623 | \$ 201,862,542 | \$ 7,945,827 |
| Total Liabilities | <u>\$ 6,931,908</u> | <u>\$ 200,848,623</u> | <u>\$ 201,862,542</u> | <u>\$ 7,945,827</u> |
| <u>Adult Detention Center (ADC) Inmate Fund</u> | | | | |
| Assets: | | | | |
| Cash and Temporary Investments | \$ 128,577 | \$ 814,620 | \$ 773,362 | \$ 169,835 |
| Total Assets | <u>\$ 128,577</u> | <u>\$ 814,620</u> | <u>\$ 773,362</u> | <u>\$ 169,835</u> |
| Liabilities: | | | | |
| Funds Held in Trust for Others | \$ 128,577 | \$ 773,362 | \$ 814,620 | \$ 169,835 |
| Total Liabilities | <u>\$ 128,577</u> | <u>\$ 773,362</u> | <u>\$ 814,620</u> | <u>\$ 169,835</u> |
| <u>Totals - All Agency Funds</u> | | | | |
| Assets: | | | | |
| Cash and Temporary Investments | \$ 14,826,781 | \$ 170,947,839 | \$ 169,395,818 | \$ 16,378,802 |
| Total Assets | <u>\$ 14,826,781</u> | <u>\$ 170,947,839</u> | <u>\$ 169,395,818</u> | <u>\$ 16,378,802</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 7,044,905 | \$ 202,158,604 | \$ 203,189,430 | \$ 8,075,731 |
| Funds Held in Trust for Others | 7,781,876 | 2,429,903 | 2,951,098 | 8,303,071 |
| Total Liabilities | <u>\$ 14,826,781</u> | <u>\$ 204,588,507</u> | <u>\$ 206,140,528</u> | <u>\$ 16,378,802</u> |

Component Unit - School Board Funds

Operating Fund - This fund is used to account for the general operations of the County's school system. Financing is provided primarily by transfers from the primary government and State and Federal grants to be used for education purposes only.

Capital Projects Fund - This fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment and other long-lived improvements for the school system. Financing is provided primarily by bond issues, State and Federal grants and transfers from the primary government.

Capital Asset Replacement Fund - This fund is used to account for the repair and/or replacement of major capital facilities, including buildings, major equipment and other long-lived improvements for the school system. Financing is provided primarily by transfers from the primary government.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs of the school system. Financing is provided primarily by transfers from the primary government.

**COUNTY OF LOUDOUN, VIRGINIA
BALANCE SHEET
COMPONENT UNIT - SCHOOL BOARD
JUNE 30, 2003**

| | Operating | Capital Projects | Capital Asset Replacement | Debt Service | Total School Board |
|--|----------------------|-----------------------------|--------------------------------------|-------------------------|-----------------------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 40,021,723 | \$ 30,135,167 | \$ 3,776,165 | \$ 157,177 | \$ 74,090,232 |
| Cash and Investments with Fiscal Agents | 752,994 | 50,883,649 | 867,085 | - | 52,503,728 |
| Receivables, Net: | | | | | |
| Accounts | 328,484 | - | - | - | 328,484 |
| Receivables from Other Governments | 7,310,552 | - | - | - | 7,310,552 |
| Due from Other Funds | 39,939 | - | - | - | 39,939 |
| Inventory of Supplies | 365,937 | - | - | - | 365,937 |
| Prepaid Items | 51,110 | - | - | - | 51,110 |
| Total Assets | \$ 48,870,739 | \$ 81,018,816 | \$ 4,643,250 | \$ 157,177 | \$ 134,689,982 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 6,339,016 | \$ 17,673,484 | \$ 1,757,154 | \$ 264 | \$ 25,769,918 |
| Accrued Liabilities | 22,113,071 | 11,181 | - | - | 22,124,252 |
| Deferred Revenue | 212,132 | - | - | - | 212,132 |
| Due to Other Funds | - | - | - | 39,939 | 39,939 |
| Other Liabilities | 79,437 | - | - | - | 79,437 |
| Total Liabilities | 28,743,656 | 17,684,665 | 1,757,154 | 40,203 | 48,225,678 |
| Fund Balances: | | | | | |
| Reserved for: | | | | | |
| Prepaid Items | 51,110 | - | - | - | 51,110 |
| Encumbrances | 5,400,192 | 66,079,039 | 1,330,639 | - | 72,809,870 |
| Unreserved, reported in: | | | | | |
| Operating: | | | | | |
| Designated for Fiscal Cash Liquidity | 5,000,000 | - | - | - | 5,000,000 |
| Designated for Cafeterial Sales | 367,555 | - | - | - | 367,555 |
| Undesignated | 9,308,226 | - | - | - | 9,308,226 |
| Capital Projects Funds: | | | | | |
| Undesignated | - | (2,744,888) | - | - | (2,744,888) |
| Capital Assets Funds: | | | | | |
| Undesignated | - | - | 1,555,457 | - | 1,555,457 |
| Debt Service Fund: | | | | | |
| Designated for Future Debt Service | - | - | - | 116,974 | 116,974 |
| Total Fund Balances | 20,127,083 | 63,334,151 | 2,886,096 | 116,974 | 86,464,304 |
| Total Liabilities and Fund Balances | \$ 48,870,739 | \$ 81,018,816 | \$ 4,643,250 | \$ 157,177 | \$ 134,689,982 |

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2003

| | Operating | Capital Projects | Capital Asset Replacement | Debt Service | Total School Board |
|--|----------------------|-------------------------|----------------------------------|---------------------|---------------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ 86,745,633 | \$ - | \$ - | \$ - | \$ 86,745,633 |
| Charges for Services | 8,185,664 | - | - | - | 8,185,664 |
| Use of Money and Property | 276,703 | - | - | - | 276,703 |
| Recovered Costs | 222,739 | - | - | - | 222,739 |
| Gifts and Donations | 24,228 | - | - | - | 24,228 |
| Miscellaneous | 336,747 | - | - | - | 336,747 |
| Payments from Primary Government | 264,521,268 | 180,228,000 | 4,902,000 | 3,657,857 | 453,309,125 |
| Total Revenues | 360,312,982 | 180,228,000 | 4,902,000 | 3,657,857 | 549,100,839 |
| EXPENDITURES | | | | | |
| Current Operating: | | | | | |
| Education | 353,647,968 | 395,552 | 6,759,594 | - | 360,803,114 |
| Payments to Primary Government | 3,231,269 | - | - | - | 3,231,269 |
| Capital Outlay | - | 89,267,801 | 35,477 | - | 89,303,278 |
| Debt service: | | | | | |
| Principal Payments | - | - | - | 3,311,301 | 3,311,301 |
| Interest and Service Charges | - | - | - | 344,873 | 344,873 |
| Total Expenditures | 356,879,237 | 89,663,353 | 6,795,071 | 3,656,174 | 456,993,835 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,433,745 | 90,564,647 | (1,893,071) | 1,683 | 92,107,004 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Lease/Purchase Financing | 7,800,000 | - | - | - | 7,800,000 |
| Total Other Financing Sources (Uses) | 7,800,000 | - | - | - | 7,800,000 |
| Net Change in Fund Balances | 11,233,745 | 90,564,647 | (1,893,071) | 1,683 | 99,907,004 |
| Fund Balances at Beginning of Year | 8,893,338 | (27,230,496) | 4,779,167 | 115,291 | (13,442,700) |
| Fund Balances at End of Year | \$ 20,127,083 | \$ 63,334,151 | \$ 2,886,096 | \$ 116,974 | \$ 86,464,304 |

COUNTY OF LOUDOUN, VIRGINIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
 COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2003

| | Balance July 1, 2002 | Additions | Deductions | Balance June 30, 2003 |
|------------------------------------|-------------------------|---------------------|---------------------|--------------------------|
| <u>School Activity Fund</u> | | | | |
| Assets: | | | | |
| Cash and Temporary Investments | \$ 2,408,371 | \$ 6,600,545 | \$ 6,432,437 | \$ 2,576,479 |
| Total Assets | <u>\$ 2,408,371</u> | <u>\$ 6,600,545</u> | <u>\$ 6,432,437</u> | <u>\$ 2,576,479</u> |
| Liabilities: | | | | |
| Collections Held in Trust | \$ 2,408,371 | \$ 6,600,545 | \$ 6,432,437 | \$ 2,576,479 |
| Total Liabilities | <u>\$ 2,408,371</u> | <u>\$ 6,600,545</u> | <u>\$ 6,432,437</u> | <u>\$ 2,576,479</u> |

COUNTY OF LOUDOUN, VIRGINIA
 BUDGETARY COMPARISON SCHEDULE
 COMPONENT UNIT - SCHOOL BOARD
 SCHOOL OPERATING
 FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|----------------------|---|
| Resources (Inflows) | | | |
| Intergovernmental | \$ 84,450,577 | \$ 86,745,633 | \$ 2,295,056 |
| Charges for Services | 9,300,776 | 8,185,664 | (1,115,112) |
| Use of Money and Property | 302,700 | 276,703 | (25,997) |
| Recovered Costs | - | 222,739 | 222,739 |
| Miscellaneous | 211,989 | 360,975 | 148,986 |
| Transfers from Primary Government | 264,521,268 | 264,521,268 | - |
| Lease/Purchase Financing | 7,800,000 | 7,800,000 | - |
| Amounts Available for Appropriation | 366,587,310 | 368,112,982 | 1,525,672 |
| Charges to Appropriations (Outflows) | | | |
| Education | 369,655,387 | 353,647,968 | 16,007,419 |
| Transfers to Primary Government | - | 3,231,269 | (3,231,269) |
| Total Charges to Appropriations | 369,655,387 | 356,879,237 | 12,776,150 |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | (3,068,077) | 11,233,745 | 14,301,822 |
| Fund Balance at Beginning of Year | 8,893,338 | 8,893,338 | - |
| Fund Balance at End of Year | \$ 5,825,261 | \$ 20,127,083 | \$ 14,301,822 |

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMPONENT UNIT - SCHOOL BOARD
SCHOOL CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2003**

| | Prior Years | Current Year | Total to Date | Project Authorization |
|--|------------------------|-------------------------|--------------------------|----------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 541,206 | \$ - | \$ 541,206 | \$ 541,206 |
| Charges for Services | 81 | - | 81 | - |
| Recovered Costs | 3,403,590 | - | 3,403,590 | 3,403,590 |
| Miscellaneous | 1,317,900 | - | 1,317,900 | 1,317,900 |
| Total Revenues | <u>5,262,777</u> | <u>-</u> | <u>5,262,777</u> | <u>5,262,696</u> |
| EXPENDITURES | | | | |
| Education | 44,086,545 | 395,552 | 44,482,097 | 69,608,514 |
| Capital Outlay | 418,770,262 | 89,267,801 | 508,038,063 | 783,893,742 |
| Total Expenditures | <u>462,856,807</u> | <u>89,663,353</u> | <u>552,520,160</u> | <u>853,502,256</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(457,594,030)</u> | <u>(89,663,353)</u> | <u>(547,257,383)</u> | <u>(848,239,560)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 932,370 | - | 932,370 | 932,370 |
| Transfers (Out) | (13,463,321) | - | (13,463,321) | - |
| Transfers from Primary Government | 52,140,493 | 5,473,000 | 57,613,493 | 76,418,198 |
| Face Amount of Bonds issued | 390,753,992 | 174,755,000 | 565,508,992 | 770,888,992 |
| Total Other Financing Sources (Uses) | <u>430,363,534</u> | <u>180,228,000</u> | <u>610,591,534</u> | <u>848,239,560</u> |
| Net Change in Fund Balances | <u>\$ (27,230,496)</u> | <u>90,564,647</u> | <u>\$ 63,334,151</u> | <u>\$ -</u> |
| Fund Balances at Beginning of Year | | <u>(27,230,496)</u> | | |
| Fund Balances at End of Year | | <u>\$ 63,334,151</u> | | |

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMPONENT UNIT - SCHOOL BOARD
SCHOOL CAPITAL ASSET REPLACEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Prior Years | Current Year | Total to Date | Project Authorization |
|--|---------------------|---------------------|---------------------|--------------------------|
| REVENUES | | | | |
| Use of Money and Property | \$ 412,000 | \$ - | \$ 412,000 | \$ 412,000 |
| Recovered Costs | 15,342 | - | 15,342 | 11,606 |
| Total Revenues | <u>427,342</u> | <u>-</u> | <u>427,342</u> | <u>423,606</u> |
| EXPENDITURES | | | | |
| Education | 25,761,675 | 6,759,594 | 32,521,269 | 38,799,105 |
| Capital Outlay | - | 35,477 | 35,477 | - |
| Total Expenditures | <u>25,761,675</u> | <u>6,795,071</u> | <u>32,556,746</u> | <u>38,799,105</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(25,334,333)</u> | <u>(6,795,071)</u> | <u>(32,129,404)</u> | <u>(38,375,499)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 90,000 | - | 90,000 | 90,000 |
| Transfers from Primary Government | 15,343,500 | 2,902,000 | 18,245,500 | 18,245,500 |
| Faced Amount of Bond Issued | 14,680,000 | 2,000,000 | 16,680,000 | 20,040,000 |
| Total Other Financing Sources (Uses) | <u>30,113,500</u> | <u>4,902,000</u> | <u>35,015,500</u> | <u>38,375,500</u> |
| Net Change in Fund Balances | <u>\$ 4,779,167</u> | <u>(1,893,071)</u> | <u>\$ 2,886,096</u> | <u>\$ 1</u> |
| Fund Balances at Beginning of Year | | 4,779,167 | | |
| Fund Balances at End of Year | | <u>\$ 2,886,096</u> | | |

COUNTY OF LOUDOUN, VIRGINIA
 BUDGETARY COMPARISON SCHEDULE
 COMPONENT UNIT - SCHOOL BOARD
 SCHOOL DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2003

| | Final Budgeted Amount | Actual Amount | Variance with Final Budget Positive (Negative) |
|--|--------------------------|------------------|---|
| Resources (Inflows) | | | |
| Transfers from Primary Government | \$ 3,657,857 | \$ 3,657,857 | \$ - |
| Lease/Purchase Financing | - | - | - |
| Amounts Available for Appropriation | <u>3,657,857</u> | <u>3,657,857</u> | <u>-</u> |
| Charges to Appropriations (Outflows) | | | |
| Education | - | - | - |
| Nondepartmental: | | | |
| Miscellaneous | - | - | - |
| Debt Service | 3,657,857 | 3,656,174 | 1,683 |
| Transfers to Other Funds | - | - | - |
| Transfers to Primary Government | - | - | - |
| Total Charges to Appropriations | <u>3,657,857</u> | <u>3,656,174</u> | <u>1,683</u> |
| Excess (Deficiency) of Resources Over | | | |
| Charges to Appropriations | - | 1,683 | 1,683 |
| Fund Balance at Beginning of Year | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ 1,683</u> | <u>\$ 1,683</u> |

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the estimated useful lives.

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CAPITAL ASSETS BY SOURCES ⁽¹⁾
AT JUNE 30, 2003

GENERAL FIXED ASSETS

| | |
|-----------------------------------|------------------------------|
| Land | \$ 64,681,137 |
| Buildings | 87,436,645 |
| Improvements Other Than Buildings | 12,034,302 |
| Equipment | 66,121,194 |
| Construction in Progress | 43,581,265 |
| Total Current Assets | <u>273,854,543</u> |
| Less Accumulated Depreciation | (58,619,099) |
| Net Capital Assets | <u><u>\$ 215,235,444</u></u> |

INVESTMENTS IN GENERAL FIXED ASSETS

| | |
|--|------------------------------|
| General Fund | \$ 154,895,608 |
| Special Revenue Fund | 16,069,472 |
| Capital Projects Fund | 52,045,747 |
| Donations | 27,710,285 |
| Internal Service Fund | 23,133,431 |
| Total Investments in General Fixed Assets | <u>273,854,543</u> |
| Less Accumulated Depreciation | (58,619,099) |
| Net Capital Assets | <u><u>\$ 215,235,444</u></u> |

(1) Capital assets include fixed assets for the governmental activities.

**COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY ⁽¹⁾
AS OF JUNE 30, 2003**

| Function and Program | Land | Improvements other than Buildings | Buildings | Machinery and Equipment | Total |
|---|----------------------|---|----------------------|-------------------------------|-----------------------|
| General Government Administration: | | | | | |
| Legislative | \$ 296,939 | \$ - | \$ 1,046,922 | \$ 5,752 | \$ 1,349,613 |
| General and Financial Administration | 15,673,773 | - | 33,827,636 | 35,674,389 | 85,175,798 |
| Elections Administration | - | - | - | 381,409 | 381,409 |
| Total General Government | 15,970,712 | - | 34,874,558 | 36,061,550 | 86,906,820 |
| Judicial Administration: | | | | | |
| Courts | 398,112 | - | 1,038,160 | 1,837,122 | 3,273,394 |
| Sheriff | - | - | - | 14,553 | 14,553 |
| Commonwealth's Attorney | - | - | - | 28,891 | 28,891 |
| Total judicial Administration | 398,112 | - | 1,038,160 | 1,880,566 | 3,316,838 |
| Public Safety: | | | | | |
| Law Enforcement and Traffic Control | 15,639 | - | 5,841 | 8,196,650 | 8,218,130 |
| Fire and Rescue Services | 42,459 | - | 4,737,540 | 8,804,027 | 13,584,026 |
| Corrections and Detention | 264,996 | 5,675 | 5,076,678 | 336,803 | 5,684,152 |
| Inspections | - | - | - | 77,022 | 77,022 |
| Other Protection | 17,637 | - | 1,784,607 | 64,943 | 1,867,187 |
| Total Public Safety | 340,731 | 5,675 | 11,604,666 | 17,479,445 | 29,430,517 |
| Public Works: | | | | | |
| Sanitation and Waste Removal | 16,658,471 | 12,170 | 1,131,728 | 2,469,825 | 20,272,194 |
| Maintenance of General Building and Ground | 3,336 | - | 1,680,265 | 354,004 | 2,037,605 |
| Total public Works | 16,661,807 | 12,170 | 2,811,993 | 2,823,829 | 22,309,799 |
| Health and Welfare: | | | | | |
| Health | - | - | - | 80,635 | 80,635 |
| Mental Health and Mental Retardation | 549,387 | 26,788 | 2,532,584 | 228,509 | 3,337,268 |
| Welfare and Social Services | 2,552,143 | - | 13,492,290 | 961,524 | 17,005,957 |
| Total Health and Welfare | 3,101,530 | 26,788 | 16,024,874 | 1,270,668 | 20,423,860 |
| Parks, Recreation and Culture: | | | | | |
| Parks and Recreation | 7,161,745 | 11,989,669 | 5,980,387 | 2,250,323 | 27,382,124 |
| Library | 3,689,234 | - | 13,875,371 | 2,537,418 | 20,102,023 |
| Total Parks, Recreation and Culture | 10,850,979 | 11,989,669 | 19,855,758 | 4,787,741 | 47,484,147 |
| Community Development: | | | | | |
| Planning, Community Development and Economic Development | 7,068,780 | - | 1,226,636 | 1,407,583 | 9,702,999 |
| Environmental Management | Contributed capita | - | - | 51,785 | 51,785 |
| Cooperative Extension Program | Investment in gene | - | - | 3,021 | 3,021 |
| Total Community Development | 7,068,780 | - | 1,226,636 | 1,462,389 | 9,757,805 |
| Miscellaneous: | | | | | |
| Miscellaneous | 10,288,486 | - | - | 355,006 | 10,643,492 |
| Total Miscellaneous | 10,288,486 | - | - | 355,006 | 10,643,492 |
| Total Capital Assets Allocation to Function | 64,681,137 | 12,034,302 | 87,436,645 | 66,121,194 | 230,273,278 |
| Less Accumulated Depreciation | - | (5,074,375) | (18,660,815) | (34,883,909) | (58,619,099) |
| Total | \$ 64,681,137 | \$ 6,959,927 | \$ 68,775,830 | \$ 31,237,285 | 171,654,179 |
| Contruction in Progress | | | | | 43,581,265 |
| Total Capital Assets | | | | | \$ 215,235,444 |

(1) Capital assets includes fixed assets for the governmental activities.

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY ⁽¹⁾
YEAR ENDED JUNE 30, 2003

| Function and Program | Fixed Assets July 1, 2002 | Additions | Deductions | Transfers In / (Out) | Fixed Assets June 30, 2003 |
|--|--------------------------------------|----------------------|-------------------|---------------------------------|---------------------------------------|
| General Government Administration: | | | | | |
| Legislative | \$ 1,106,713 | \$ 242,900 | \$ - | \$ - | \$ 1,349,613 |
| General and Financial Administration | 81,286,465 | 5,045,136 | 1,155,803 | - | 85,175,798 |
| Elections Administration | 286,836 | 94,573 | - | - | 381,409 |
| Total General Government | 82,680,014 | 5,382,609 | 1,155,803 | - | 86,906,820 |
| Judicial Administration: | | | | | |
| Courts | 2,101,766 | 1,149,625 | 9,542 | 31,545 | 3,273,394 |
| Sheriff | 14,553 | - | - | - | 14,553 |
| Commonwealth's Attorney | 28,891 | - | - | - | 28,891 |
| Total Judicial Administration | 2,145,210 | 1,149,625 | 9,542 | 31,545 | 3,316,838 |
| Public Safety: | | | | | |
| Law Enforcement and Traffic Control | 7,006,578 | 1,202,725 | - | 8,827 | 8,218,130 |
| Fire and Rescue Services | 11,964,936 | 1,675,441 | 56,351 | - | 13,584,026 |
| Corrections and Detention | 5,697,825 | - | 13,673 | - | 5,684,152 |
| Inspections | 77,022 | - | - | - | 77,022 |
| Other Protection | 1,867,187 | - | - | - | 1,867,187 |
| Total Public Safety | 26,613,548 | 2,878,166 | 70,024 | 8,827 | 29,430,517 |
| Public Works: | | | | | |
| Sanitation and Waste Removal | 20,195,617 | 85,431 | 8,854 | - | 20,272,194 |
| Maintenance of General Building and Ground | 1,983,177 | 54,428 | - | - | 2,037,605 |
| Total public Works | 22,178,794 | 139,859 | 8,854 | - | 22,309,799 |
| Health and Welfare: | | | | | |
| Health | 67,985 | 12,650 | - | - | 80,635 |
| Mental Health and Mental Retardation | 3,007,577 | 159,554 | 10,178 | 180,315 | 3,337,268 |
| Welfare and Social Services | 16,964,035 | 41,922 | - | - | 17,005,957 |
| Total Health and Welfare | 20,039,597 | 214,126 | 10,178 | 180,315 | 20,423,860 |
| Parks, Recreation and Culture: | | | | | |
| Parks and Recreation | 26,546,124 | 841,289 | 18,317 | 13,028 | 27,382,124 |
| Library | 19,275,673 | 824,508 | 6,297 | 8,139 | 20,102,023 |
| Total Parks, Recreation and Culture | 45,821,797 | 1,665,797 | 24,614 | 21,167 | 47,484,147 |
| Community Development: | | | | | |
| Planning, Community Development and Economic Development | 9,710,796 | 10,892 | 13,690 | (4,999) | 9,702,999 |
| Environmental Management | 51,785 | - | - | - | 51,785 |
| Cooperative Extension Program | 3,021 | - | - | - | 3,021 |
| Total Community Development | 9,765,602 | 10,892 | 13,690 | (4,999) | 9,757,805 |
| Miscellaneous: | | | | | |
| Miscellaneous | 10,400,415 | 479,932 | - | (236,855) | 10,643,492 |
| Total Miscellaneous | 10,400,415 | 479,932 | - | (236,855) | 10,643,492 |
| Total Capital Assets Allocation to Function | 219,644,977 | 11,921,006 | 1,292,705 | - | 230,273,278 |
| Contruction in Progress | 35,375,107 | 8,206,158 | - | - | 43,581,265 |
| Total | 255,020,084 | 20,127,164 | 1,292,705 | - | 273,854,543 |
| Less Accumulated Depreciation | (50,203,630) | (9,652,936) | (1,237,467) | - | (58,619,099) |
| Net Capital Assets | \$ 204,816,454 | \$ 10,474,228 | \$ 55,238 | \$ - | \$ 215,235,444 |

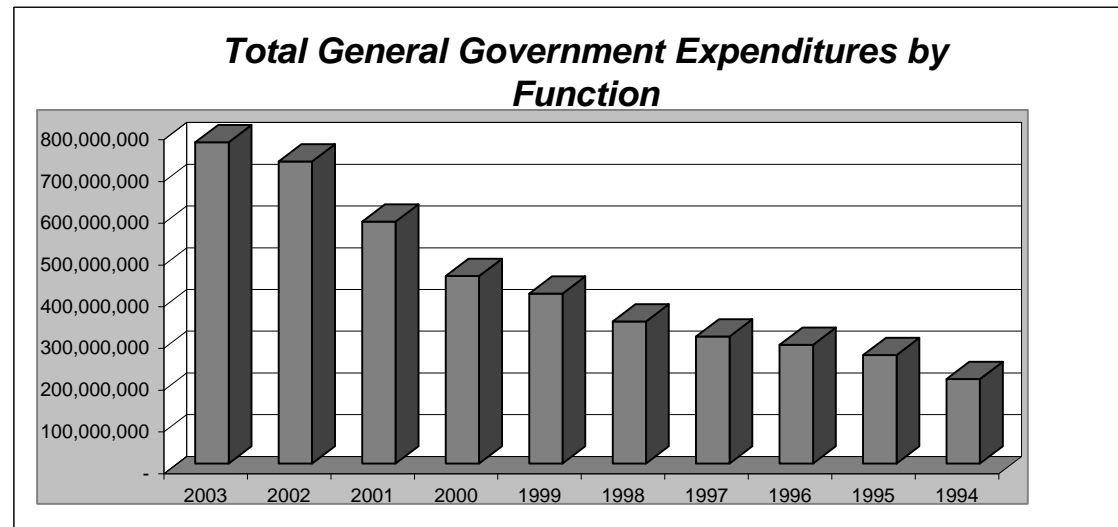
(1) Capital assets includes fixed assets for the governmental activities.

STATISTICAL SECTION

TABLE A

COUNTY OF LOUDOUN, VIRGINIA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) (2)
LAST TEN FISCAL YEARS

| FUNCTION | (3) 2003 | (3) 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General government administration | \$ 32,856,620 | \$ 31,881,582 | \$ 27,648,372 | \$ 24,241,248 | \$ 20,744,764 | \$ 19,013,366 | \$ 18,720,364 | \$ 15,615,157 | \$ 15,600,985 | \$ 14,918,112 |
| Judicial administration | 8,171,298 | 6,697,319 | 5,288,117 | 4,438,785 | 4,341,648 | 3,782,771 | 3,466,192 | 3,002,930 | 2,662,484 | 2,606,712 |
| Public safety | 66,817,301 | 61,004,791 | 45,425,236 | 36,279,690 | 29,871,952 | 27,171,444 | 25,377,526 | 22,483,761 | 20,052,202 | 18,710,239 |
| Public works | 20,969,188 | 24,445,546 | 12,221,838 | 9,378,437 | 7,819,186 | 6,198,388 | 8,524,395 | 6,801,397 | 7,267,244 | 5,667,413 |
| Health and welfare | 56,079,807 | 52,396,932 | 38,725,515 | 31,847,435 | 27,666,110 | 26,219,142 | 24,219,079 | 22,145,605 | 20,249,676 | 19,422,114 |
| Education | 360,990,925 | 309,731,574 | 254,219,073 | 212,459,950 | 186,532,501 | 165,075,150 | 141,585,782 | 118,874,496 | 109,911,627 | 96,200,465 |
| Parks, recreation and culture | 26,688,466 | 26,069,011 | 21,126,419 | 16,340,004 | 14,195,196 | 12,339,831 | 10,038,901 | 9,034,008 | 8,110,352 | 7,831,048 |
| Community development | 25,429,706 | 21,363,427 | 15,405,328 | 10,913,550 | 10,355,101 | 8,907,896 | 7,369,562 | 8,359,120 | 7,539,633 | 7,550,333 |
| Capital Projects | 101,618,908 | 136,205,066 | 117,596,093 | 69,886,618 | 78,322,033 | 49,068,831 | 44,491,651 | 59,659,033 | 54,676,974 | 16,936,202 |
| Debt service | 70,098,358 | 53,843,624 | 41,876,234 | 33,400,618 | 27,203,200 | 22,230,447 | 20,670,636 | 17,912,168 | 13,727,955 | 12,226,515 |
| Total Expenditures | \$ 769,720,577 | \$ 723,638,872 | \$ 579,532,225 | \$ 449,186,335 | \$ 407,051,691 | \$ 340,007,266 | \$ 304,464,088 | \$ 283,887,675 | \$ 259,799,132 | \$ 202,069,153 |



(1) Includes Governmental Funds only.

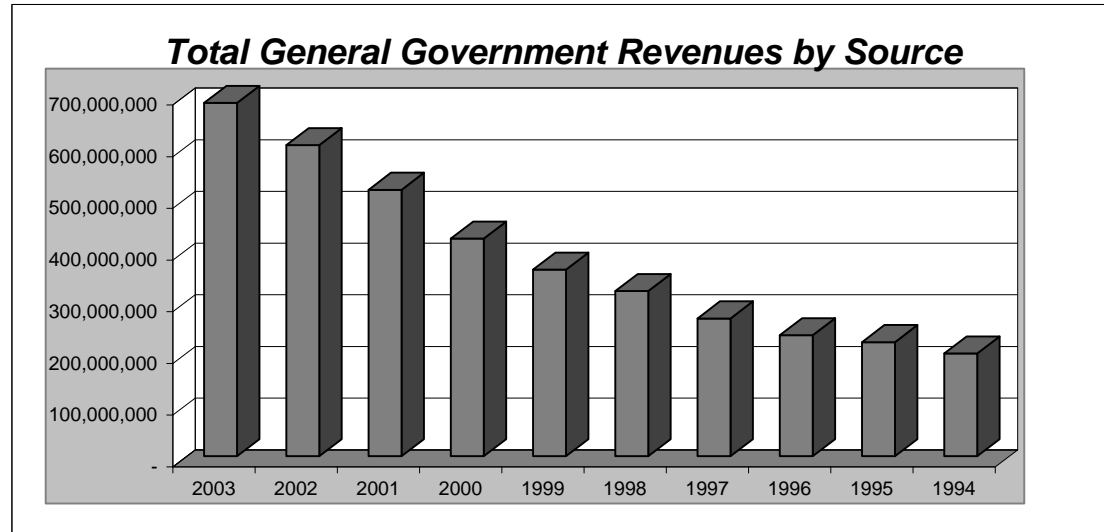
(2) Includes Primary Governmental and Component Unit.

(3) Expenditures include amounts related to reclassification of Fiduciary funds to Special Revenue funds in accordance with GASB Statement No. 34.

TABLE B

COUNTY OF LOUDOUN, VIRGINIA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1) (2)
LAST TEN FISCAL YEARS

| SOURCE | (3) 2003 | (3) 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General property taxes | \$ 369,053,929 | \$ 317,003,631 | \$ 261,016,542 | \$ 219,302,974 | \$ 199,283,712 | \$ 190,488,626 | \$ 154,920,526 | \$ 140,209,501 | \$ 129,167,286 | \$ 119,414,090 |
| Other local taxes | 78,403,999 | 68,090,506 | 64,359,557 | 51,632,959 | 41,337,376 | 34,831,429 | 29,938,269 | 26,132,406 | 23,251,537 | 21,386,532 |
| Permits and licenses | 17,046,703 | 11,701,399 | 14,519,685 | 13,408,218 | 12,387,701 | 8,840,742 | 6,804,965 | 6,069,271 | 5,462,920 | 5,274,541 |
| Intergovernmental | 171,643,630 | 157,438,837 | 137,535,530 | 108,685,362 | 83,552,768 | 63,226,514 | 56,588,740 | 45,007,518 | 41,142,083 | 38,183,107 |
| Charges for services | 21,341,901 | 18,174,110 | 15,037,511 | 12,266,366 | 10,905,627 | 9,331,527 | 7,452,331 | 7,568,668 | 8,552,037 | 8,395,315 |
| Fines and forfeitures | 1,439,119 | 1,387,677 | 1,546,259 | 1,474,405 | 1,420,120 | 1,261,250 | 772,352 | 706,344 | 693,543 | 799,655 |
| Use of money and property | 5,025,276 | 9,036,546 | 12,360,365 | 8,765,797 | 6,250,109 | 5,629,516 | 4,446,572 | 5,142,082 | 6,043,802 | 2,682,727 |
| Miscellaneous | 12,822,416 | 10,160,749 | 1,773,845 | 363,468 | 507,819 | 740,460 | 1,048,856 | 644,953 | 4,584,229 | 495,016 |
| Recovered costs | 6,560,811 | 8,870,604 | 6,760,979 | 5,156,306 | 5,295,772 | 4,923,613 | 4,464,698 | 2,320,869 | 1,702,009 | 1,840,355 |
| Non-revenue receipts | - | - | 387,289 | 20,220 | 76,100 | 30,175 | 8,400 | 1,150 | 1,150 | 66,636 |
| | <u>\$ 683,337,784</u> | <u>\$ 601,864,059</u> | <u>\$ 515,297,562</u> | <u>\$ 421,076,075</u> | <u>\$ 361,017,104</u> | <u>\$ 319,303,852</u> | <u>\$ 266,445,709</u> | <u>\$ 233,802,762</u> | <u>\$ 220,600,596</u> | <u>\$ 198,537,974</u> |



(1) Includes Governmental Funds only.

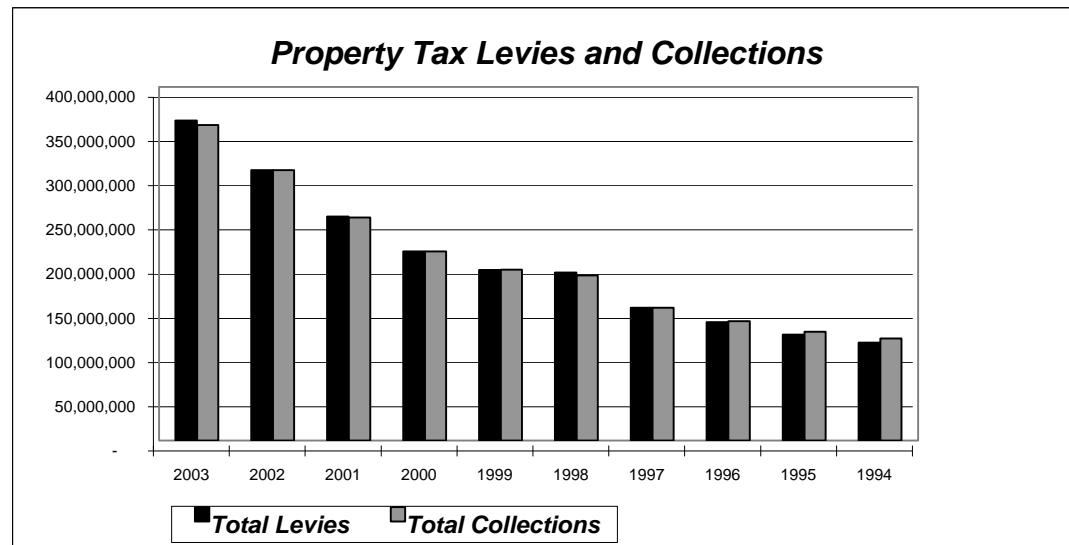
(2) Includes Primary Governmental and Component Unit.

(3) Revenues include amounts reallocated to reclassification of Fiduciary funds to Special Revenue funds in accordance with GASB Statement No. 34.

TABLE C

**COUNTY OF LOUDOUN, VIRGINIA
PROPERTY TAX LEVIES AND COLLECTIONS (1) (2)
LAST TEN FISCAL YEARS**

| | 2003 | 2002 | 2001 | 2000 | 1999 | (5) 1998 | 1997 | 1996 | 1995 | 1994 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total tax levy (3) | \$ 361,966,896 | \$ 305,979,201 | \$ 253,494,862 | \$ 213,776,378 | \$ 192,945,367 | \$ 190,134,622 | \$ 150,087,601 | \$ 133,841,243 | \$ 119,643,977 | \$ 110,808,382 |
| Current tax collections (3) | \$ 346,400,224 | \$ 296,144,023 | \$ 244,158,657 | \$ 209,359,885 | \$ 186,353,341 | \$ 183,655,551 | \$ 146,533,024 | \$ 130,671,688 | \$ 116,353,827 | \$ 106,856,280 |
| Percent of levy collected | 95.70% | 96.79% | 96.32% | 97.93% | 96.58% | 96.59% | 97.63% | 97.63% | 97.25% | 96.43% |
| Delinquent tax collections | \$ 10,507,767 | \$ 9,902,704 | \$ 8,106,506 | \$ 4,513,454 | \$ 6,789,482 | \$ 3,291,722 | \$ 3,863,631 | \$ 4,346,380 | \$ 6,889,465 | \$ 8,598,066 |
| Total tax collections (4) | \$ 356,907,991 | \$ 306,046,727 | \$ 252,265,163 | \$ 213,873,339 | \$ 193,142,823 | \$ 186,947,273 | \$ 150,396,655 | \$ 135,018,068 | \$ 123,243,292 | \$ 115,454,346 |
| Percent of total tax collected to taxy levy | 98.60% | 100.02% | 99.51% | 100.05% | 100.10% | 98.32% | 100.21% | 100.88% | 103.01% | 104.19% |



(1) Department of Financial Services, Loudoun County.

(2) General Fund.

(3) Exclusive of penalties and interest.

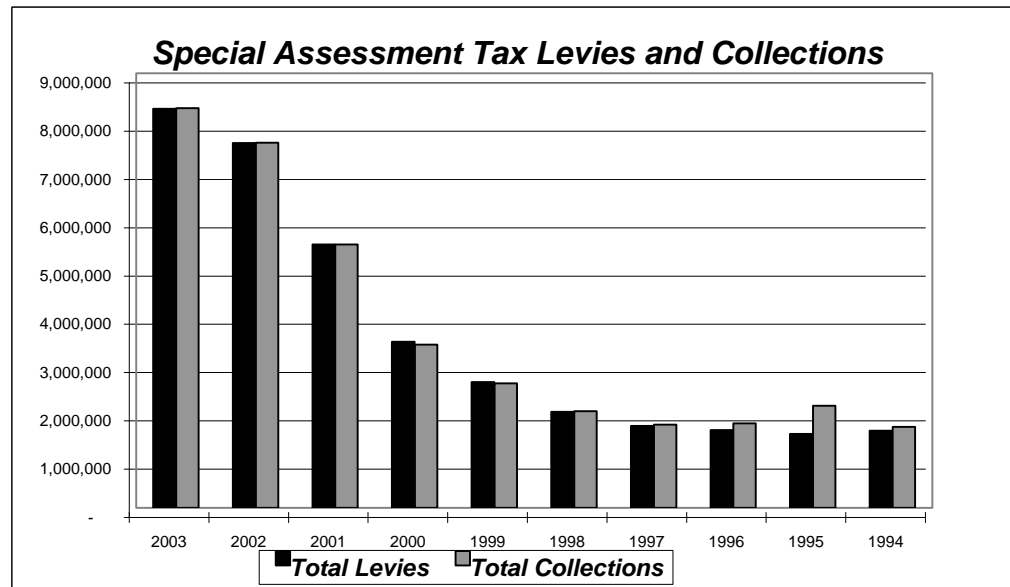
(4) Tax collections include payments received from the Commonwealth of Virginia under its personal property tax-relief program.

(5) Tax levy includes \$ 20,983,233 for first half of 1998 personal property tax.

TABLE D

**COUNTY OF LOUDOUN, VIRGINIA
SPECIAL ASSESSMENT PROPERTY TAX LEVIES AND COLLECTION
LAST TEN FISCAL YEARS**

| | 2003 | 2002 | 2001 | 2000 | 1999 | (1) 1998 | 1997 | 1996 | 1995 | 1994 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total tax levy (1) | \$ 8,264,047 | \$ 7,558,018 | \$ 5,451,097 | \$ 3,440,379 | \$ 2,603,110 | \$ 1,991,064 | \$ 1,698,037 | \$ 1,613,141 | \$ 1,533,540 | \$ 1,597,041 |
| Current tax collections (1) | \$ 8,154,788 | \$ 7,448,034 | \$ 5,382,187 | \$ 3,319,722 | \$ 2,541,137 | \$ 1,962,597 | \$ 1,683,879 | \$ 1,577,984 | \$ 1,432,548 | \$ 1,450,386 |
| Percent of levy collected | 98.68% | 98.54% | 98.74% | 96.49% | 97.62% | 98.57% | 99.17% | 97.82% | 93.41% | 90.82% |
| Delinquent tax collections | \$ 120,500 | \$ 114,328 | \$ 71,462 | \$ 60,110 | \$ 38,258 | \$ 39,984 | \$ 37,942 | \$ 171,576 | \$ 680,240 | \$ 228,483 |
| Total tax collections | \$ 8,275,288 | \$ 7,562,362 | \$ 5,453,649 | \$ 3,379,832 | \$ 2,579,395 | \$ 2,002,581 | \$ 1,721,821 | \$ 1,749,560 | \$ 2,112,788 | \$ 1,678,869 |
| Percent of total tax collected to tax levy | 100.14% | 100.06% | 100.05% | 98.24% | 99.09% | 100.58% | 101.40% | 108.46% | 137.77% | 105.12% |

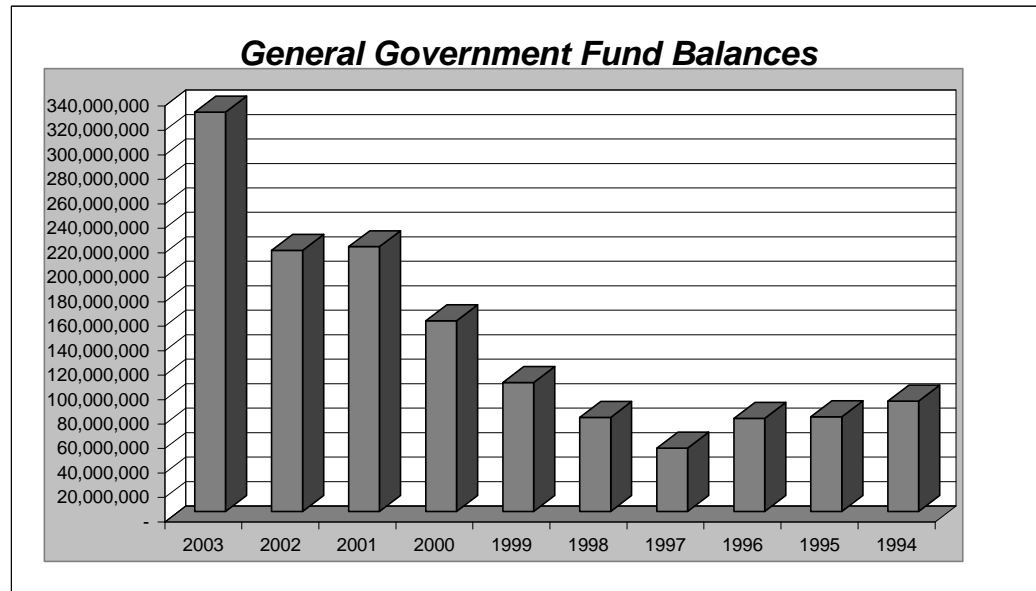


(1) Exclusive of penalties and interest.

TABLE E

COUNTY OF LOUDOUN, VIRGINIA
GENERAL GOVERNMENTAL FUND BALANCES (1) (2)
LAST TEN FISCAL YEARS

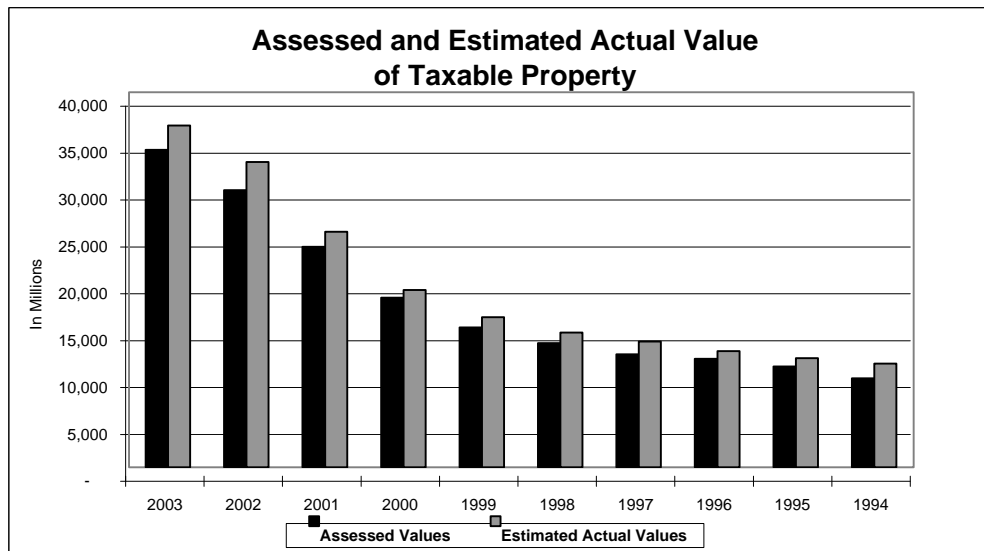
| FUND BALANCE | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Reserved for: | | | | | | | | | | |
| Prepaid expenses | \$ 1,097,967 | \$ 478,727 | \$ 163,149 | \$ 156,179 | \$ 1,012,583 | \$ 809,754 | \$ 1,356,786 | \$ 49,974 | \$ 38,118 | \$ 1,185,322 |
| Encumbrances | 92,296,181 | 79,312,327 | 104,765,702 | 61,510,139 | 75,130,756 | 36,721,968 | 23,563,072 | 37,355,520 | 14,191,479 | 24,771,265 |
| Advance to Central Service Fund | - | - | - | - | - | - | - | - | 33,500 | 33,500 |
| Noncurrent notes and loans receivable | 2,343,435 | 2,030,412 | 2,164,774 | 2,855,945 | 2,981,887 | 2,918,696 | 1,637,682 | 1,348,873 | - | - |
| Unreserved | | | | | | | | | | |
| Designated for: | | | | | | | | | | |
| Appropriations | 41,207,757 | 46,984,317 | 39,802,378 | 126,123,191 | 34,055,632 | 27,241,097 | 5,369,047 | 6,661,194 | 20,568,130 | 22,823,724 |
| Fiscal cash liquidity | 58,771,690 | 58,771,690 | 51,529,699 | 42,660,011 | 36,101,711 | 30,049,287 | 26,644,318 | 23,530,777 | 21,576,642 | 19,555,683 |
| Future debt service | 32,889,558 | 12,873,323 | 17,767,588 | 10,507,365 | 7,479,491 | 4,197,489 | 4,197,489 | 5,921,139 | 7,091,059 | 3,528,690 |
| Future capital projects | 575,366 | 781,141 | 323,455 | 323,455 | 323,455 | 859,728 | 859,728 | 2,917,050 | - | - |
| Permanent Fund-Expendable | 12,154 | 12,688 | - | - | - | - | - | - | - | - |
| Permanent Fund-Nonexpendable | 35,721 | 35,721 | - | - | - | - | - | - | - | - |
| Cafeteria sales | 367,555 | 282,109 | 577,587 | 437,561 | 731,059 | 890,196 | 827,908 | 839,404 | 975,483 | 1,079,246 |
| Undesignated | 96,890,519 | 11,900,773 | (653,520) | (88,694,540) | (52,528,449) | (26,845,938) | (12,643,299) | (2,494,805) | 13,013,330 | 17,174,357 |
| | <u>\$ 326,487,903</u> | <u>\$ 213,463,228</u> | <u>\$ 216,440,812</u> | <u>\$ 155,879,306</u> | <u>\$ 105,288,125</u> | <u>\$ 76,842,277</u> | <u>\$ 51,812,731</u> | <u>\$ 76,129,126</u> | <u>\$ 77,487,741</u> | <u>\$ 90,151,787</u> |



- (1) Includes Governmental Funds only.
(2) Includes Primary Governmental and Component Unit.

**COUNTY OF LOUDOUN, VIRGINIA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

| FISCAL YEAR | REAL PROPERTY | | PERSONAL PROPERTY | | TOTAL | | RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED VALUE |
|----------------|-------------------|------------------------------|-------------------|----------------------------------|-------------------|------------------------------|---|
| | ASSESSED VALUE | ESTIMATED ACTUAL VALUE | ASSESSED VALUE | ESTIMATED ACTUAL VALUE (1) | ASSESSED VALUE | ESTIMATED ACTUAL VALUE | |
| 2003 | \$ 30,864,734,680 | \$ 33,731,949,000 | \$ 2,985,668,507 | \$ 2,707,282,512 | \$ 33,850,403,187 | \$ 36,439,231,512 | 92.9% |
| 2002 | 26,799,268,200 | 30,044,022,700 | 2,746,232,319 | 2,523,199,286 | 29,545,500,519 | 32,567,221,986 | 90.7% |
| 2001 | 21,128,020,500 | 23,015,272,000 | 2,381,723,570 | 2,091,424,554 | 23,509,744,070 | 25,106,696,554 | 93.6% |
| 2000 | 16,160,744,400 | 17,066,744,400 | 1,921,567,637 | 1,839,574,139 | 18,082,312,037 | 18,906,318,539 | 95.6% |
| 1999 | 13,337,307,000 | 14,557,339,100 | 1,590,787,060 | 1,449,124,512 | 14,928,094,060 | 16,006,463,612 | 93.3% |
| 1998 | 11,771,573,700 | 12,962,573,700 | 1,453,956,874 | 1,409,756,982 | 13,225,530,574 | 14,372,330,682 | 92.0% |
| 1997 | 10,677,620,500 | 11,893,096,100 | 1,362,039,834 | 1,516,748,145 | 12,039,660,334 | 13,409,844,245 | 89.8% |
| 1996 | 10,300,853,000 | 11,127,412,600 | 1,260,370,103 | 1,260,370,103 | 11,561,223,103 | 12,387,782,703 | 93.3% |
| 1995 | 9,529,000,000 | 10,405,720,700 | 1,224,533,268 | 1,224,533,268 | 10,753,533,268 | 11,630,253,968 | 92.5% |
| 1994 | 8,689,071,710 | 10,285,023,344 | 785,386,197 | 785,386,197 | 9,474,457,907 | 11,070,409,541 | 85.6% |



(1) 2003 Estimated Actual Value of Personal Property includes exonerations to June 30, 2003.

TABLE G

**COUNTY OF LOUDOUN, VIRGINIA
PROPERTY TAX RATES (PER \$100 OF ASSESSED VALUE)**

| FISCAL YEAR | REAL ESTATE | PERSONAL PROPERTY | MACHINERY AND TOOLS | PUBLIC UTILITIES | |
|------------------------|------------------------|------------------------------|--------------------------------|-------------------------|------------------------------|
| | | | | REAL ESTATE | PERSONAL PROPERTY |
| 2003 | \$ 1.11 | \$ 4.20 | \$ 2.75 | \$ 1.11 | \$ 4.20 |
| 2002 | 1.05 | 4.20 | 2.75 | 1.05 | 4.20 |
| 2001 | 1.08 | 4.20 | 2.75 | 1.08 | 4.20 |
| 2000 | 1.08 | 4.20 | 2.75 | 1.08 | 4.20 |
| 1999 | 1.11 | 4.20 | 2.75 | 1.11 | 4.20 |
| 1998 | 1.11 | 4.20 | 2.75 | 1.11 | 4.20 |
| 1997 | 1.06 | 4.20 | 2.75 | 1.06 | 4.20 |
| 1996 | 1.03 | 4.20 | 2.75 | 1.03 | 4.20 |
| 1995 | 0.99 | 4.20 | 2.75 | 0.99 | 4.20 |
| 1994 | 1.02 | 4.20 | 2.75 | 1.02 | 4.20 |

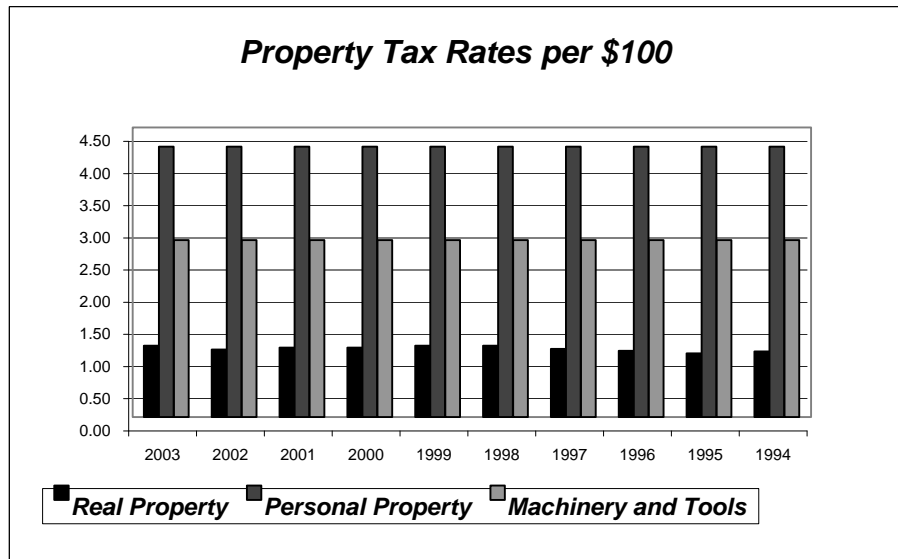
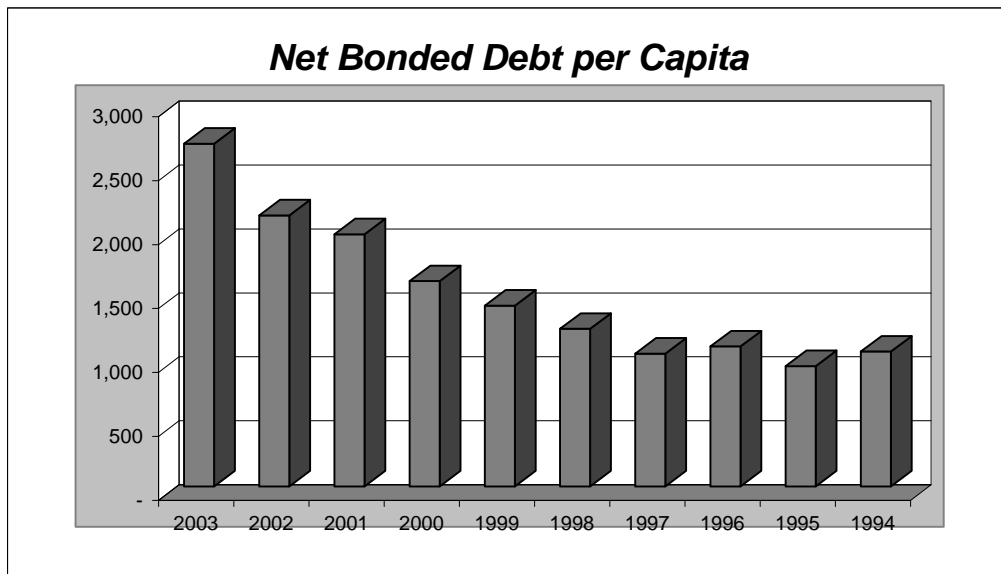


TABLE H

**COUNTY OF LOUDOUN, VIRGINIA
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

| FISCAL YEAR | (1) POPULATION | TOTAL ASSESSED VALUE | (2) GROSS BONDED DEBT | DEBT PAYABLE FROM ENTERPRISE REVENUE | NET BONDED DEBT | (3) RATIO OF NET BONDED DEBT TO ASSESSED VALUE | NET BONDED DEBT PER CAPITA |
|------------------------|---------------------------|-------------------------------------|--|---|----------------------------|---|---|
| 2003 | 211,146 | \$ 33,850,403,187 | \$ 565,810,285 | \$ - | \$ 565,810,285 | 1.67% | \$ 2,680 |
| 2002 | 196,430 | 29,545,500,519 | 416,306,645 | - | 416,306,645 | 1.41% | 2,119 |
| 2001 | 189,400 | 23,509,744,070 | 373,561,205 | - | 373,561,205 | 1.59% | 1,972 |
| 2000 | 172,173 | 18,082,312,037 | 276,362,000 | - | 276,362,000 | 1.53% | 1,605 |
| 1999 | 154,549 | 14,928,094,060 | 218,520,000 | - | 218,520,000 | 1.46% | 1,414 |
| 1998 | 136,485 | 13,225,530,574 | 168,146,500 | - | 168,146,500 | 1.27% | 1,232 |
| 1997 | 127,410 | 12,039,660,334 | 132,322,000 | - | 132,322,000 | 1.10% | 1,039 |
| 1996 | 119,550 | 11,561,223,103 | 130,842,500 | - | 130,842,500 | 1.13% | 1,094 |
| 1995 | 112,843 | 10,753,533,268 | 106,150,000 | - | 106,150,000 | 0.99% | 941 |
| 1994 | 104,966 | 9,474,457,907 | 110,645,000 | - | 110,645,000 | 1.17% | 1,054 |



(1) Department of Economic Development, Loudoun County.

(2) Includes general obligation bonded debt and State Literary Fund loans.

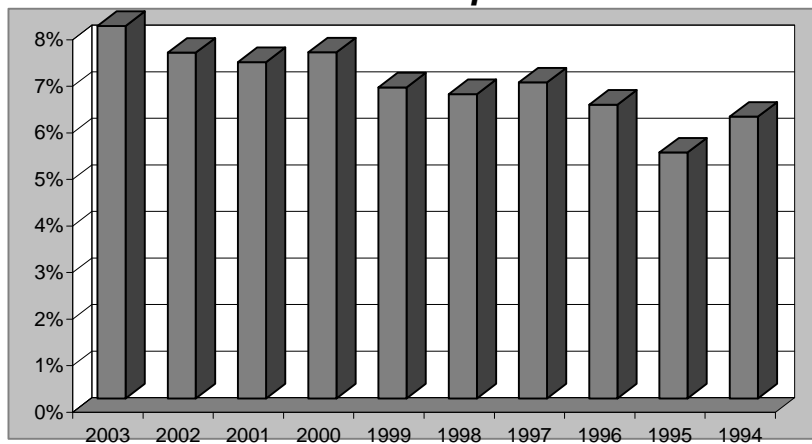
(3) The Code of Virginia establishes the legal debt margin for counties as 10% of the assessed valuation on real estate as shown by the last preceding assessment for taxes.

TABLE I

COUNTY OF LOUDOUN, VIRGINIA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

| FISCAL YEAR | PRINCIPAL | INTEREST AND OTHER SERVICE CHARGES | TOTAL DEBT SERVICE | TOTAL GENERAL EXPENDITURES | RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES |
|------------------------|------------------|---|-----------------------------------|---|--|
| 2003 | \$ 44,645,082 | \$ 25,347,738 | \$ 69,992,820 | \$ 769,720,577 | 9.09% |
| 2002 | 32,586,209 | 21,151,877 | 53,738,086 | 723,635,354 | 7.43% |
| 2001 | 24,861,389 | 17,014,845 | 41,876,234 | 579,532,225 | 7.23% |
| 2000 | 18,378,363 | 15,022,255 | 33,400,618 | 449,186,335 | 7.44% |
| 1999 | 14,552,364 | 12,650,836 | 27,203,200 | 407,051,691 | 6.68% |
| 1998 | 11,582,548 | 10,647,899 | 22,230,447 | 340,007,266 | 6.54% |
| 1997 | 10,914,904 | 9,755,732 | 20,670,636 | 304,464,088 | 6.79% |
| 1996 | 8,483,584 | 9,428,584 | 17,912,168 | 283,887,675 | 6.31% |
| 1995 | 6,522,008 | 7,205,947 | 13,727,955 | 259,799,132 | 5.28% |
| 1994 | 6,599,282 | 5,627,233 | 12,226,515 | 202,069,153 | 6.05% |

***Ratio of Debt Service to
Total General Expenditures***



**COUNTY OF LOUDOUN, VIRGINIA
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2003**

TABLE J

| | <u>NET DEBT OUTSTANDING</u> | <u>% APPLICABLE TO LOUDOUN COUNTY</u> | <u>LOUDOUN COUNTY SHARE OF DEBT</u> |
|-----------------------------------|--|--|--|
| Direct: | | | |
| Loudoun County (1) | \$565,810,285 | 100% | \$565,810,285 |
| Overlapping: | | | |
| Commonwealth of Virginia (2) | 118,959,792 | 53% (3) | 63,048,690 |
| Total direct and overlapping debt | | | <u><u>\$628,858,975</u></u> |

(1) Includes all general obligation bonds of Loudoun County.

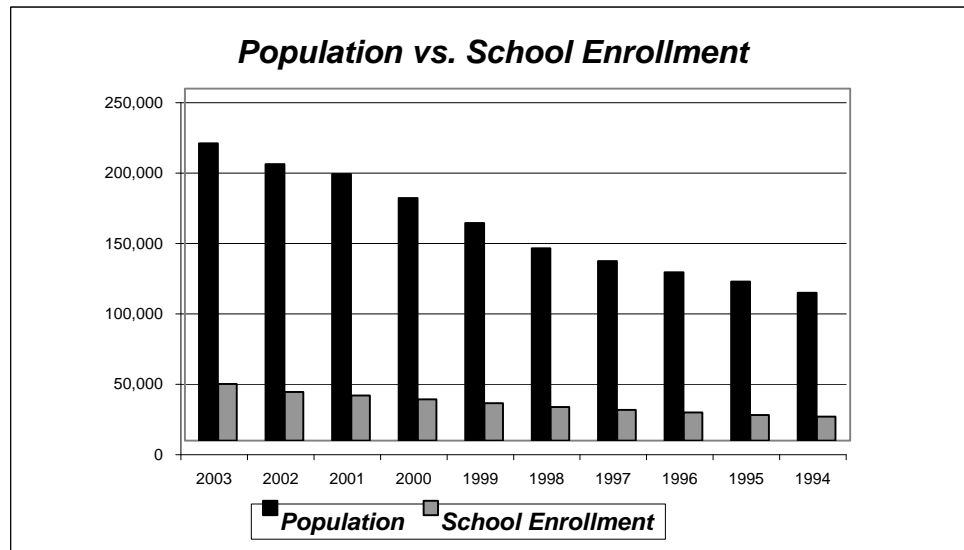
(2) Virginia Department of Transportation.

(3) Percentage applicable to the County of 53% is an estimate based on the projected development of Route 28 to the year 2018.

TABLE K

**COUNTY OF LOUDOUN, VIRGINIA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

| FISCAL YEAR | (1) POPULATION | (1) PER CAPITA INCOME | (2) SCHOOL ENROLLMENT | (3) UNEMPLOYMENT RATE |
|------------------------|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 2003 | 211,146 | \$ 40,233 | 40,250 | 2.7% |
| 2002 | 196,430 | \$ 39,791 | 34,500 | 2.9% |
| 2001 | 189,400 | \$ 38,602 | 32,016 | 2.5% |
| 2000 | 172,173 | \$ 37,500 | 29,254 | 0.9% |
| 1999 | 154,549 | \$ 34,495 | 26,582 | 1.2% |
| 1998 | 136,485 | \$ 32,590 | 23,782 | 2.2% |
| 1997 | 127,410 | \$ 31,485 | 21,733 | 2.0% |
| 1996 | 119,550 | \$ 28,934 | 19,967 | 2.5% |
| 1995 | 112,843 | \$ 28,639 | 18,270 | 2.8% |
| 1994 | 104,966 | \$ 27,176 | 17,067 | 3.2% |



(1) Department of Economic Development, Loudoun County.

(2) March 31 enrollment amount from the Department of Economic Development, Loudoun County, based on Fiscal Impact Analysis Technical Review Committee.

(3) Virginia Employment Commission.

TABLE L

**COUNTY OF LOUDOUN, VIRGINIA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

| FISCAL YEAR | (1) COMMERCIAL CONSTRUCTION | (1) RESIDENTIAL CONSTRUCTION | (1) PROPERTY VALUE | | NONTAXABLE | (2) BANK DEPOSITS |
|------------------------|--|---|-------------------------------|--------------------|-------------------|----------------------------------|
| | | | COMMERCIAL | RESIDENTIAL | | |
| 2003 | \$ 70,000,000 | \$ 1,243,000,000 | \$ 5,719,684,600 | \$ 25,145,050,080 | \$ 2,322,382,600 | \$ 1,605,639,936 |
| 2002 | 290,000,000 | 1,195,000,000 | 5,410,528,600 | 21,388,739,600 | 2,072,354,300 | 1,400,377,233 |
| 2001 | 250,000,000 | 923,000,000 | 4,611,938,500 | 16,516,082,000 | 1,795,059,700 | 1,286,934,189 |
| 2000 | 260,000,000 | 708,000,000 | 4,085,607,200 | 12,075,137,200 | 1,691,471,300 | 1,148,988,538 |
| 1999 | 290,000,000 | 571,000,000 | 2,955,807,600 | 10,381,499,400 | 1,580,184,800 | 996,731,117 |
| 1998 | 103,065,000 | 457,000,000 | 2,379,126,100 | 9,392,447,600 | 1,404,547,900 | 915,766,903 |
| 1997 | 70,000,000 | 377,000,000 | 2,178,186,300 | 8,499,434,200 | 1,405,763,500 | 882,561,695 |
| 1996 | 75,000,000 | 355,000,000 | 2,101,537,300 | 8,199,315,700 | 1,273,346,400 | 793,410,474 |
| 1995 | 70,000,000 | 371,615,000 | 1,948,194,300 | 7,438,550,000 | 1,214,471,400 | 786,362,306 |
| 1994 | 98,290,600 | 305,129,177 | 1,845,433,600 | 6,893,387,980 | 1,178,078,100 | 757,019,162 |

(1) Department of Financial Services, Loudoun County.

(2) Commissioner of Revenue, Loudoun County.

**COUNTY OF LOUDOUN, VIRGINIA
TWENTY-FIVE LARGEST REAL ESTATE ASSESSMENTS
JUNE 30, 2003**

TABLE M

| NAME OF BUSINESS | (1) 2003 ASSESSED VALUATION OF REAL PROPERTY | PERCENT OF TOTAL NET TAX BASE |
|--|---|-------------------------------------|
| | | |
| UUNET Technologies, Inc. | \$ 287,753,800 | 0.93% |
| America Online, Inc. | 252,050,600 | 0.82% |
| Virginia Electric and Power Company | 188,854,000 | 0.61% |
| MCI Worldcom Network Services Inc. | 179,391,000 | 0.58% |
| Dulles Town Center Mall, LLC | 141,034,300 | 0.46% |
| Verizon Virginia Inc. | 135,394,900 | 0.44% |
| Fairfield Lansdowne LP | 124,096,400 | 0.40% |
| Toll Road Investors Partnership II, LP | 120,611,100 | 0.39% |
| Brambleton Group LLC | 120,397,400 | 0.39% |
| Smith, Verlin W. et als Trustees | 91,849,600 | 0.30% |
| Belmont Land LP | 87,044,200 | 0.28% |
| Parkside at Ashburn LLC | 84,539,400 | 0.27% |
| PLC Dulles LP | 77,198,200 | 0.25% |
| Loudoun Valley Associates LP | 73,717,000 | 0.24% |
| Chelsea GCA Realty Partnership LP | 73,266,400 | 0.24% |
| Winkler-Southern Towers LP | 71,569,000 | 0.23% |
| WXIII/Oxford DTC Real Estate LLC | 70,000,000 | 0.23% |
| Qwest Communications Corp of Virginia | 69,090,800 | 0.22% |
| LHO New Orleans LM LP | 68,105,400 | 0.22% |
| ASN Stoneridge LLC | 67,969,100 | 0.22% |
| Broadlands Associates | 66,882,500 | 0.22% |
| Lansdowne Community Development LLC | 65,109,900 | 0.21% |
| DTC Partners LLC | 59,226,900 | 0.19% |
| Washington Gas and Light Company | 58,298,800 | 0.19% |
| Richmond American Homes of Virginia Inc. | 51,919,100 | 0.17% |
| Totals | <u>\$ 2,685,369,800</u> | <u>8.70%</u> |

(1) Assessed value as of January 1, 2002.

COUNTY OF LOUDOUN, VIRGINIA
SURETY BONDS
JUNE 30, 2003

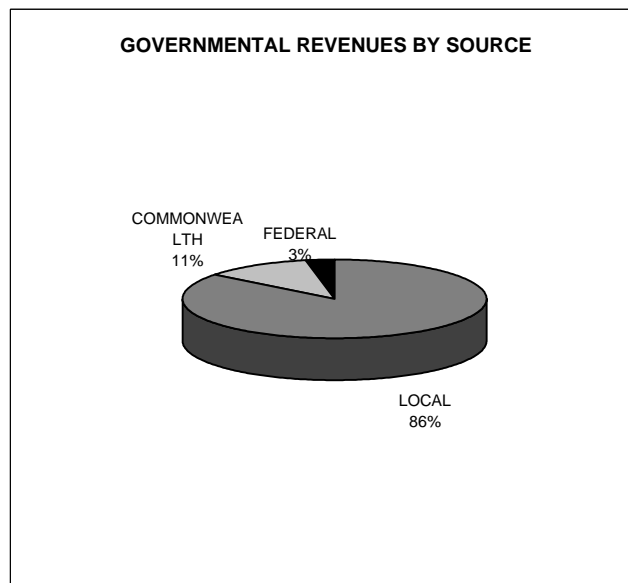
TABLE N

| NAME | TITLE | SURETY | AMOUNT |
|-----------------------------|---------------------------|--|------------|
| Gary Clemens | Circuit Court Clerk | Fidelity and Deposit Company of Maryland | \$ 450,000 |
| H. Roger Zurn Jr. | Treasurer | Fidelity and Deposit Company of Maryland | 1,000,000 |
| Catherine B. Ashby | Commissioner of Revenue | Fidelity and Deposit Company of Maryland | 3,000 |
| Steve Simpson | Sheriff | Fidelity and Deposit Company of Maryland | 30,000 |
| Dr. Edgar Hatrick | Superintendent of Schools | Fidelity and Deposit Company of Maryland | 100,000 |
| All School System Employees | | Virginia Municipal Liability Pool | 500,000 |
| All County Employees | | Virginia Association of Counties (VACo) | 250,000 |

**COUNTY OF LOUDOUN, VIRGINIA
ACTUAL REVENUES
JUNE 30, 2003**

TABLE O

| <u>TYPE</u> | <u>AMOUNT</u> | <u>PERCENT</u> |
|--------------|-----------------------|----------------|
| LOCAL | \$ 502,648,073 | 86% |
| COMMONWEALTH | 67,350,060 | 11% |
| FEDERAL | 17,547,937 | 3% |
| | <u>\$ 587,546,070</u> | <u>100%</u> |

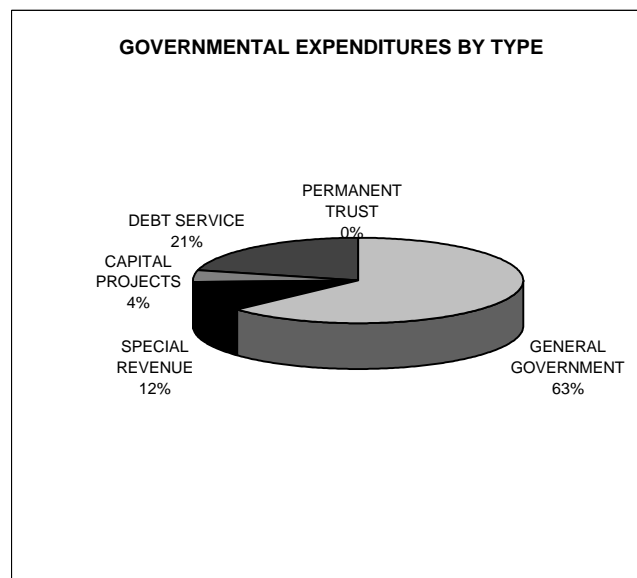


* Includes Governmental Funds only.
Includes Primary Government. Does not include transfers.

**COUNTY OF LOUDOUN, VIRGINIA
ACTUAL EXPENDITURES
JUNE 30, 2002**

TABLE P

| <u>TYPE</u> | <u>AMOUNT</u> | <u>PERCENT</u> |
|--------------------|-----------------------|----------------|
| GENERAL GOVERNMENT | \$ 199,082,669 | 63% |
| SPECIAL REVENUE | 36,392,220 | 12% |
| CAPITAL PROJECTS | 14,145,776 | 4% |
| DEBT SERVICE | 66,336,646 | 21% |
| PERMANENT TRUST | 700 | 0% |
| | <u>\$ 315,958,011</u> | <u>100%</u> |



* Includes Governmental Funds only.
Includes Primary Government. Does not include transfers.